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TITLE 7—AGRICULTURE

Chapter VIII—Production and Marketing Administration (Sugar Branch), Department of Agriculture

Subchapter B—Sugar Requirements and Quotas [Sugar Reg. 811]

PART 811—SUGAR REQUIREMENTS; CONTINENTAL UNITED STATES

REQUIREMENTS FOR 1950

Basis and purpose. The determination set forth below is made pursuant to section 201 of the Sugar Act of 1948. The act requires that the Secretary of Agriculture make such determination for the calendar year 1950 during December of 1949. The determination has been based, insofar as required by section 201 of the act, on official statistics of the Department of Agriculture and statistics published by other agencies of the Federal Government. The purpose of such determination is to provide the amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1950. The determination provides a basis for the establishment of sugar quotas for such year pursuant to section 202 of the act.

Prior to the issuance of this determination, notice was given (14 F. R. 6719) that the Secretary of Agriculture was preparing, among other things, to determine the sugar consumption requirements for the calendar year 1950 and that any interested person might present any data, views, or arguments with respect thereto at a public hearing to be held in Washington, D. C., on November 30, 1949. In addition, the notice stated that any interested person might present any data, views, or arguments with respect thereto in writing not later than December 12, 1949. In making this determination, due consideration has been given to the data, views, and arguments expressed at the hearing held on November 30, and December 1, 1949, and the data, views, and arguments submitted in writing on or before December 12, 1949, in accordance with the Administrative Procedure Act (60 Stat. 237).

Since the Sugar Act of 1948 requires that the Secretary of Agriculture deter-

mine sugar consumption requirements for the calendar year 1950 during the month of December 1949, it is not possible to comply with the 30-day effective date requirement of the Administrative Procedure Act. Accordingly, this determination shall be effective when published in the FEDERAL REGISTER.

§ 811.2 *Consumption requirements, 1950.* The amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1950 is hereby determined to be 7,500,000 short tons, raw value.

STATEMENT OF BASES AND CONSIDERATIONS

Section 201 of the Sugar Act of 1948 reads as follows:

The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States

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as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

Pursuant to the provisions of this section the determination of the sugar consumption requirements has been based upon the following:

(1) *Distribution of sugar for consumption during the twelve-month period ending October 31, 1949.* For the twelve months ended October 31, 1949, there were distributed 7,644,000 short tons, raw value, of direct consumption sugar.

(2) *Inventories of sugar.* Stocks of sugar held by refiners and importers on November 30, 1949, were approximately equal to those on the same date a year earlier. In view of the efforts of the Hawaiian industry to maximize shipments before the end of the calendar year, total stocks held by refiners and importers may be somewhat larger on December 31, 1949, than they were on December 31, 1948. Available information indicates that stocks held by industrial users, wholesalers and retailers have been relatively constant for the past year and recent market activity does not indicate that these groups desire to increase their stocks. Inventories as a whole appear adequate but not excessive, and accordingly, no allowance is made for either a surplus or a deficiency in inventories.

(3) *Population and demand conditions, including the level and trend of purchasing power.* It is believed that population in 1950 will be at least one percent higher than in 1949 and would warrant some allowance under other circumstances. However, the index of income of industrial workers is estimated to have dropped from 364 percent of the prewar (1935-39) average in 1948 to 345

for 1949. Cash receipts from farm marketings have declined from 389 percent of the prewar level in 1948 to 345 percent in 1949.

The wholesale price of refined sugar averaged about 167 percent of prewar during the first ten months of 1949. Although the increase in the purchasing power of consumers has been much greater than the increase in sugar prices since the prewar period, per capita distribution in 1949 was below the 1935-39 average.

Although quoted prices for refined sugar did not change, sugar distribution during the ten weeks ended December 10 was 64,000 tons less than for the corresponding period in 1948 and raw sugar prices declined from 6.05 cents per pound on October 27 to a low of 5.7 cents in early December. In view of these evidences of weakening demand and in view of the conditions outlined in (4) below, which more than offset the effects of increased population, a net reduction of 144,000 short tons, raw value, is made.

(4) *Relationship between wholesale sugar prices and the cost of living.* During the first ten months of 1949 the wholesale basis price for refined sugar has averaged about 0.9 cent per pound less than the price which would maintain the relationship with the Consumers' Price Index which obtained during the last ten months of price control of sugar. In October 1949, the latest month for which the index is available, it would have required a price of 8.82 cents per pound to maintain such relationship. The final ceiling price under price control was 8.40 cents per pound. The current wholesale price is 8.05 cents per pound. At the same time, costs of producing, processing and transporting sugar remain high.

It is believed that the quantity of 7,500,000 tons determined to be needed to meet consumer requirements for 1950 will provide, under prospective demand conditions, a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry.

It is hereby found and concluded that the determination made above will meet the requirements of the Sugar Act of 1948.

(Sec. 403, 61 Stat. 932; 7 U. S. C., Sup. 1153)

Done at Washington, D. C., this 22d day of December 1949. Witness my hand and the seal of the Department of Agriculture.

[SEAL]

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 49-10490; Filed, Dec. 28, 1949; 8:47 a. m.]

26679-6681
[Sugar Reg. 813]

PART 813—SUGAR QUOTAS AND PRORATIONS OF QUOTA DEFICITS

QUOTAS AND DEFICITS, 1950

By virtue of the authority vested in the Secretary of Agriculture by the Sugar Act of 1948 (61 Stat. 922) and the Admin-

istrative Procedure Act (60 Stat. 237), the regulations of this part are hereby made, prescribed and published to be in force and effect for the calendar year 1950 or until amended or superseded by regulations hereafter made during the calendar year 1950.

Sec.

- 813.11 Basic quotas for domestic areas.
- 813.12 Basic quotas for other areas.
- 813.13 Determination and proration of area deficits.
- 813.14 Proration of quota for foreign countries other than Cuba and the Republic of the Philippines.
- 813.15 Direct-consumption portion of quotas or prorations.
- 813.16 Liquid sugar quotas.
- 813.17 Restrictions on marketing and shipment.
- 813.18 Inapplicability of quota regulations.

AUTHORITY: §§ 813.11 to 813.18 issued under secs. 403, 61 Stat. 932; 7 U. S. C. Sup. 1153. Interprets or applies secs. 202, 204, 207, 208, 209, 210, and 212, 61 Stat. 924, 925, 927, 928, 929; 7 U. S. C. Sup. 1112, 1114, 1117, 1118, 1119, 1120, 1122.

Basis and purpose. The Sugar quotas set forth below have been established pursuant to section 202 of the Sugar Act of 1948 (hereinafter called the "act") in terms of short tons of sugar, raw value, equal to the quantity determined by the Secretary of Agriculture to be needed to meet the requirements of consumers in the continental United States for the calendar year 1950. The purpose of Sugar Regulation 813 is to establish quotas representing the amount of sugar which each producing area may supply to the continental United States market during the calendar year 1950. Prior to the issuance of this regulation, notice was given (14 F. R. 6719) that the Secretary of Agriculture was preparing, among other things, to establish sugar quotas for the calendar year 1950 and to determine whether any domestic area, the Republic of the Philippines, or Cuba would be unable to market the full quota for such area in 1950 and to reallocate any quota deficit so determined. In accordance with the Administrative Procedure Act (60 Stat. 237), due consideration has been given to the data, views and arguments submitted in writing by interested persons and to the data, views and arguments expressed at the public hearing held on November 30 and December 1, 1949, in Washington, D. C., for the purpose of affording interested persons an opportunity to express their views with respect to the establishment of sugar quotas for the calendar year 1950.

Since the sugar quotas for some areas are relatively small, thereby making it possible for such areas to exceed their quotas within a few days after the beginning of the quota year, it is not possible to comply with the 30-day effective date requirement of the Administrative Procedure Act. Accordingly, § 813.11 through § 813.18 will become effective January 1, 1950.

§ 313.11 *Basic quotas for domestic areas.* There are hereby established, pursuant to subsection (a) of section 202 of the act, for domestic sugar producing areas for the calendar year 1950, the following quotas:

Area:	Quotas in terms of short tons, raw value
Domestic beet sugar.....	1,800,000
Mainland cane sugar.....	500,000
Hawaii.....	1,052,000
Puerto Rico.....	910,000
Virgin Islands.....	6,000

§ 813.12 *Basic quotas for other areas.* There are hereby established, pursuant to subsections (b) and (c) of section 202 of the act, for foreign countries for the calendar year 1950 the following quotas:

Area:	Quotas in terms of short tons, raw value
Republic of the Philippines.....	982,000
Cuba.....	2,219,400
Other foreign countries.....	30,600

§ 813.13 *Determination and proration of area deficits—(a) Deficit in quota for the Republic of the Philippines.* It is hereby determined pursuant to subsection (a) of section 204 of the act that for the calendar year 1950 the Republic of the Philippines will be unable by an amount of 300,000 short tons of sugar, raw value, to market the quota established for that area in § 813.12.

(b) *Proration of deficit in quota for the Republic of the Philippines.* An amount of sugar equal to the deficit determined in paragraph (a) of this section is hereby prorated, pursuant to subsection (a) of section 204 of the act, as follows:

Area:	Additional quotas in terms of short tons, raw value
Cuba.....	285,000
Foreign countries other than Cuba and the Republic of the Philippines.....	15,000

§ 813.14 *Proration of quota for foreign countries other than Cuba and the Republic of the Philippines—(a) Basic prorations.* The quota for foreign countries other than Cuba and the Republic of the Philippines is hereby prorated, pursuant to subsection (c) of section 202 of the act, among such countries as follows:

Country:	Prorations in pounds, raw value
Belgium.....	361,221
Canada.....	692,481
China and Hongkong.....	353,619
Czechoslovakia.....	323,166
Dominican Republic.....	8,184,606
Dutch East Indies.....	259,444
Guatemala.....	411,044
Haiti.....	1,131,149
Honduras.....	4,212,937
Mexico.....	7,403,267
Netherlands.....	267,393
Nicaragua.....	12,544,822
Peru.....	13,640,969
Salvador.....	10,074,812
United Kingdom.....	430,394
Venezuela.....	355,936
Other countries.....	52,685
Subtotal.....	60,700,000
Unallotted reserve.....	500,000
Total.....	61,200,000

(b) *Additional prorations.* An amount of sugar equal to that part of the deficit prorated to foreign countries other than Cuba and the Republic of the Philippines under paragraph (b) of § 813.13 is hereby prorated, pursuant to subsection (d) of section 204 of the act, as follows:

Country:	Additional prorations in pounds, raw value
Belgium.....	177,337
Canada.....	339,966
China and Hongkong.....	173,605
Czechoslovakia.....	153,655
Dominican Republic.....	4,018,143
Dutch East Indies.....	127,371
Guatemala.....	201,798
Haiti.....	555,325
Honduras.....	2,068,320
Mexico.....	3,634,555
Netherlands.....	131,276
Nicaragua.....	6,158,743
Peru.....	6,696,884
Salvador.....	4,346,119
United Kingdom.....	211,297
Venezuela.....	174,743
Other countries.....	25,665
Subtotal.....	29,800,000
Unallotted reserve.....	200,000
Total.....	30,000,000

§ 813.15 *Direct-consumption portion of quotas or prorations—(a) Domestic areas.* Pursuant to subsections (a), (b), and (c) of section 207 of the act, the quotas established in § 813.11 for the following listed areas may be filled by direct-consumption sugar not in excess of the following amount for each such area:

Area:	Direct-consumption sugar, short tons, raw value
Hawaii.....	29,616
Puerto Rico.....	126,033
Virgin Islands.....	0

(b) *Other areas.* Pursuant to subsections (d) and (e) of section 207 of the act, the quotas established in §§ 813.12 and 813.13 for the following listed areas may be filled by direct-consumption sugar not in excess of the following amount for each such area.

Area:	Direct-consumption sugar, short tons, raw value
Republic of the Philippines.....	59,920
Cuba.....	375,000

(c) Pursuant to subsection (a) of section 204 of the act, only those prorations of the quota for foreign countries other than Cuba and the Republic of the Philippines established in paragraph (a) of § 813.14 may be filled by direct-consumption sugar.

§ 813.16 *Liquid sugar quotas.* There are hereby established, pursuant to section 208 of the act, for foreign countries for the calendar year 1950 quotas for liquid sugar as follows:

Country:	Liquid sugar, wine gallons, 72 percent total sugar content
Cuba.....	7,970,558
Dominican Republic.....	830,894
Other foreign countries.....	0

§ 813.17 *Restrictions on marketing and shipment.* Pursuant to section 209 of the act, all persons are hereby prohibited, during the calendar year 1950, from:

(a) Bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-

consumption portion of any such quota or proration thereof has been filled.

(b) Shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic beet sugar area or the mainland cane sugar area after the quota for such area has been filled.

§ 813.18 *Inapplicability of quota regulations.* Pursuant to section 212 of the act, §§ 813.11 to 813.17 shall not apply to (a) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in the calendar year 1950; (b) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in the calendar year 1950 for religious, sacramental, educational, or experimental purposes; (c) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers not in excess of one and one-tenth gallons each; or (d) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed or for the production of livestock feed.

STATEMENT OF BASES AND CONSIDERATIONS

A. *Basic quotas.* The basic quotas established for domestic areas are in amounts specified in the act. Section 202 of the act provides that the quota for the Republic of the Philippines shall be 952,000 short tons "as specified in section 211 of the Philippine Trade Act of 1946." Quotas under the Sugar Act are established in terms of "short tons, raw value." An amount of 952,000 short tons of Philippine sugar of usual polarization is equivalent to 982,000 short tons of sugar, raw value. Similarly, the portion of this quota which may be imported as direct-consumption sugar, established as 56,000 short tons in subsection (d) of section 207 of the act, is equivalent to 59,920 short tons, raw value. The basic quotas for other foreign countries have been established by applying the statutory percentages to the difference between the consumption estimate and the sum of the quotas established for domestic areas and the Republic of the Philippines. The quota for foreign countries other than Cuba and the Republic of the Philippines has been prorated on the basis of the original proration made for 1937, as provided by the act. The amounts of the quotas and prorations which may be filled by direct-consumption sugar are as specified in the act. The liquid sugar quotas equal those specified in the act.

B. *Deficit in quota for the Republic of the Philippines.* Total production in the Republic of the Philippines from the 1949-50 crop is expected to be about 835,000 short tons. This level of production, together with current estimates of local consumption and of shipments that may

be made in 1950 from 1950-51 crop sugar, make it appear that the 1950 deficit may finally be as much as 350,000 short tons. However, the size of the 1949-50 crop will not be determined until the crop is completed several months hence and local consumption is not necessarily restricted to present estimates. Therefore, it is determined at this time that the Philippine deficit will be 300,000 short tons, raw value. Accordingly, this quantity has been prorated to Cuba and foreign countries other than Cuba and the Philippines on the basis of 95 percent to Cuba and 5 percent to such other countries as required by the act. This additional quota for foreign countries other than Cuba and the Republic of the Philippines has been prorated on the same basis as the basic quota for these countries was prorated.

After giving effect to the basic quotas and the proration of the Philippine deficit, the quotas in terms of short tons of sugar, raw value, for the several domestic sugar producing areas, the Republic of the Philippines, Cuba, and "Other foreign countries," are as follows:

BASIC QUOTAS, PRORATION OF PHILIPPINE DEFICIT AND ADJUSTED QUOTAS, 1950
[Short tons, raw value]

Production area	Basic quota	Proration of deficit in quota for Philippines	Adjusted quota
Domestic beet sugar	1,800,000		1,800,000
Mainland cane sugar	500,000		500,000
Hawaii ¹	1,052,000		1,052,000
Puerto Rico ¹	910,000		910,000
Virgin Islands	6,000		6,000
Philippines ¹	3,982,000	(300,000)	3,682,000
Cuba ¹	2,219,400	285,000	2,504,400
Other foreign countries: ²			
Belgium	180.6	88.7	269.3
Canada	346.2	170.0	516.2
China and Hongkong	176.8	86.8	263.6
Czechoslovakia	161.6	79.3	240.9
Dominican Republic	4,092.3	2,009.1	6,101.4
Dutch East Indies	129.7	63.7	193.4
Guatemala	205.5	100.9	306.4
Haiti	565.6	277.7	843.3
Honduras	2,106.5	1,034.2	3,140.7
Mexico	3,701.6	1,817.3	5,518.9
Netherlands	133.7	65.6	199.3
Nicaragua	6,272.4	3,079.4	9,351.8
Peru	6,820.5	3,348.4	10,168.9
Salvador	5,037.4	2,473.1	7,510.5
United Kingdom	215.2	105.6	320.8
Venezuela	178.0	87.3	265.3
Other countries	26.4	12.9	39.3
Unallotted reserve	250.0	100.0	350.0
Subtotal	30,600.0	15,000.0	45,600.0
Total	7,500,000		7,500,000

¹ The following quantities may be entered as direct-consumption sugar: Hawaii, 29,616 tons; Puerto Rico, 120,033; Philippines, 59,920; Cuba, 375,000.

² Prorations of basic quota may be filled with direct-consumption or raw sugar. Prorations of Philippine deficit may be filled with raw sugar only.

³ Regardless of deficit proration, by reason of section 204 (c) of the act the Republic of the Philippines retains its basic quota.

Done at Washington, D. C., this 22d day of December 1949. Witness my hand and the seal of the Department of Agriculture.

[SEAL]

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 49-10491; Filed, Dec. 28, 1949; 8:47 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

PART 927—MILK IN THE NEW YORK METROPOLITAN MILK MARKETING AREA

ORDER AMENDING ORDER REGULATING HANDLING

§ 927.0 Findings and determinations. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) Findings upon the basis of the hearing record. Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR, Part 900), a public hearing was held in Albany, New York, on October 19, 1949, upon a proposed amendment to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the New York metropolitan milk marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions of said order, as amended, and as hereby further amended, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk produced for sale in the said marketing area as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(b) Additional findings. It is necessary to make effective promptly this order amending the said order, as amended, to reflect current marketing conditions, and to insure the proper pricing of milk subject to the order. Orderly marketing of milk will be jeopardized by any delay beyond January 1, 1950 in the effective

date of the said order, as amended and as hereby further amended. The changes effected by this order, amending the order, as amended, do not require substantial or extensive preparation by persons affected prior to the effective date. The time intervening between the date of issuance of this order and its effective date affords persons affected a reasonable time to prepare for its effective date. In view of the foregoing, it is impracticable, unnecessary, and contrary to the public interest to delay the effective date of this order for 30 days after its publication. (Sec. 4 (c), Administrative Procedure Act, Public Law 404, 79th Cong., 60 Stat. 237)

(c) Determinations. It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping milk covered by this order, amending the order, as amended, which is marketed within the New York metropolitan milk marketing area) of more than 50 percent of the milk which is marketed within the said marketing area, refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area, and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order, as amended, is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order amending the order, as amended, is approved or favored by at least two-thirds of the producers who during the determined representative period (October 1949), were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the New York metropolitan milk marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

Amend § 927.5 (a) (1) (ii) to read as follows:

(ii) The Class I-A price per hundred-weight for the months of January and February 1950 shall be \$4.80.

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 61 Stat. 951; 5 U. S. C. 133y-16)

Issued at Washington, D. C., this 23d day of December 1949 to be effective on and after the 1st day of January 1950.

[SEAL]

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 49-10494; Filed, Dec. 28, 1949; 8:48 a. m.]

96683

**PART 978—MILK IN THE NASHVILLE,
TENNESSEE MARKETING AREA**
**ORDER AMENDING ORDER, AS AMENDED,
REGULATING HANDLING**

§ 978.0 *Findings and determinations.* The findings and determinations herein-after set forth are supplementary to and in addition to the findings and determinations made in connection with the issuance of this order and each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR, Part 900), a public hearing was held October 27 and 28, 1949, upon a proposed amendment to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Nashville, Tennessee, milk marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The prices calculated to give milk produced for sale in said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect the market supply of and demand for such milk, and the minimum prices specified in the order, as amended and as hereby further amended, are such prices as will for the period indicated reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity, specified in a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary, in the public interest, to make the amendment hereafter set forth effective not later than January 1, 1950, so as to reflect current marketing conditions. Any delay beyond January 1, 1950, in the effective date of this amendment to the order, as amended, will seriously threaten the supply of milk for the Nashville, Tennessee, marketing area. The provision of the said order is well known to handlers—the public hearing having been held on October 27–28, 1949, the

decision having been executed by the Secretary on December 5, 1949. Therefore, reasonable time, under the circumstances, has been afforded persons affected to prepare for its effective date. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order, as amended, effective January 1, 1950, and that it would be impracticable, unnecessary, and contrary to the public interest to delay the effective date of this order for 30 days after its publication in the FEDERAL REGISTER. (Sec. 4 (c), Administrative Procedures Act, Pub. Law 404, 79th Congress, 60 Stat. 237)

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the milk covered by this order, as amended) of more than 50 percent of the volume of milk covered by this order, as amended and as hereby further amended, which is marketed within the Nashville, Tennessee, marketing area refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area; and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order, as amended, is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the Nashville, Tennessee, marketing area; and

(3) The issuance of this order, further amending the aforesaid order, as amended, is approved or favored by at least two-thirds of the producers who participated in a referendum on the question of approval of this order and who during the determined representative period (September 1949) were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is hereby ordered, that on and after the effective date hereof, the handling of milk in the Nashville, Tennessee, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended; and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete the proviso following the colon in § 978.5 (b) (1) and substitute therefor the following: "Provided, That for the delivery periods of January, February, and March 1950, the price for Class I milk shall not be less than \$4.80 per hundredweight."

2. Delete the proviso following the colon in § 978.5 (b) (2) and substitute therefor the following: "Provided, That for the delivery periods of January, February, and March 1950, the price for Class II milk shall not be less than \$4.30 per hundredweight."

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq; 61 Stat. 951; 5 U. S. C. 133y–16)

Issued at Washington, D. C., this 23d day of December 1949, to be effective on and after the 1st day of January 1950.

[SEAL]

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 49-10495; Filed, Dec. 28, 1949; 8:48 a. m.]

96684

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

PART 4a—AIRPLANE AIRWORTHINESS

**REPRINTING UNDER NEW NUMBERING
SYSTEM**

Correction

In Federal Register Document 49-5876, appearing in Part II of the issue for Saturday, July 16, 1949, the entire § 4a.531-2 as it appears in the first column on page 4089 should be deleted. The text of this section is set forth in § 4a.537-2.

[Civil Air Regs., Amdt. 20-6]

PART 20—PILOT CERTIFICATES

**GRADUATES OF CERTIFICATED FLYING
SCHOOLS**

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 16th day of December 1949.

Section 20.11 of the Civil Air Regulations permits a graduate of a certificated flying school to obtain a rating without fully complying with the otherwise prescribed aeronautical experience requirements. Thus § 20.11 was intended to permit the graduate of such a school to obtain a commercial pilot rating with as little as 160 hours of actual flight experience, although § 20.35 requires 200 hours thereof, or a private rating in conventional aircraft with but 35 hours of flight experience, whereas § 20.25 requires 40 hours. Since the adoption of § 20.11 there have also been established approved courses for flight instructor and instrument flight ratings. Prior to the establishment of such courses the former rating required a minimum of 160 hours of aeronautical experience, and the latter a minimum of 150 hours thereof. Since the establishment of such courses, a few individuals who have considerably less experience than that indicated above have claimed that § 20.11 gave them a right to obtain a flight instructor rating or instrument rating upon successful completion of the prescribed curriculum.

Therefore, we deem it necessary in the interest of the public to clarify the scope of the privilege granted by § 20.11 by indicating that a flight instructor or instrument flight rating may not be issued even upon completion of an approved course of instruction unless the applicant possesses the basic aeronautical experience we deem essential for air safety.

For the reasons stated above notice and public procedure hereon are impractical and contrary to the public interest, and the Board finds that good cause exists for making this amendment effective on less than 30 days' notice.

In consideration of the foregoing the Civil Aeronautics Board hereby amends Part 20 of the Civil Air Regulations (14 F. R. 4198), effective immediately, as follows:

By amending § 20.11 to read as follows:

§ 20.11 *Graduates of certificated flying schools.* A graduate of a certificated flying school shall be deemed to have met the aeronautical experience requirements of this part, if he presents an appropriate certificate of graduation within 60 days after graduation date: *Provided*, That an individual who has completed a flight instructor course shall not be eligible for such rating unless he has a commercial pilot rating, or if he holds a private pilot rating he has met the aeronautical experience requirements of § 20.35, and an individual who has completed an instrument flight course shall not be eligible for such rating unless he has a commercial pilot rating, or if he holds a private pilot rating he has had at least 150 hours as pilot in command, of which not less than 50 hours shall be cross-country, in addition to the time acquired in such course.

(Secs. 205 (a), 601,602, 52 Stat. 984, 1007, 1008; 49 U. S. C. 425 (a), 551, 552)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 49-10523; Filed, Dec. 28, 1949;
8:48 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

Subchapter C—Office of International Trade

[4th Gen. Rev. of Export Regs., Amdt. 70]

PART 371—GENERAL LICENSES

TECHNICAL DATA

Section 371.24 *Technical data GTD*, paragraph (c) *Authorization and use of General License GTD*, subparagraph (1) *Authorization* is amended to read as follows:

(1) *Authorization.* A general license designated GTD is hereby established authorizing the exportation of technical data to any destination: *Provided*, (i) That no officer or agency of the United States Government has assigned to it a security classification (e. g., "restricted", "confidential", "secret", etc.); or (ii) That if such classification exists the exporter has obtained duly authorized permission in writing from the agency of the U. S. Government which assigned the security classification; or (iii) That the Office of International Trade has not revised, suspended or revoked this general license in any manner as to any person within or without the United States so as to prohibit shipment thereunder by the exporter.

NOTE: Where the Office of International Trade determines in any case that shipment of technical data should be prohibited, notice of such determination will be given to the

exporter in the official opinion requested by him, wherever possible.

(63 Stat. 7; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945, Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective as of December 22, 1949.

Dated: December 21, 1949.

LORING K. MACY,
Assistant Director,
Office of International Trade.

[F. R. Doc. 49-10500; Filed, Dec. 28, 1949;
8:50 a. m.]

[4th Gen. Rev. of Export Regs., Amdt. 69]

PART 372—PROVISIONS FOR INDIVIDUAL AND OTHER VALIDATED LICENSES

PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

MISCELLANEOUS AMENDMENTS

1. Section 372.9 *Commodity quotas and time for submission of license applications* is amended in the following particulars:

Paragraph (d) *Time for submission of license applications* is amended by deleting the following entry, including the footnote references and related footnotes, from the table *Time Schedules for Submission of Applications for the Exportation of Certain Commodities*, for the first quarter, 1950:

Schedule B No.	Commodity	First quarter, 1950
	<i>Steel Mill Products</i>	
603350-603490	Galvanized iron and steel sheets, except reject. ¹	Dec. 1 to Dec. 16, 1949. ²

2. Section 373.1 *Export licensing general policy* is amended in the following particulars:

Paragraph (h) *Commodities subject to this export licensing policy* is amended by deleting from subparagraph (2) thereof the following commodities:

Commodity	Schedule B No.
Iron sheets, galvanized:	
Galvanized iron culvert sheets.....	603350
Other galvanized iron sheets.....	603390
Steel sheets, galvanized:	
Galvanized steel culvert sheets.....	603450
Other galvanized steel sheets.....	603490

3. Section 373.2 *Special provisions for iron and steel* is amended in the following particulars:

Paragraph (c) *Galvanized iron and steel sheets other than reject grades* and paragraph (d) *Galvanized iron and steel sheets, reject grades* are hereby deleted.

(63 Stat. 7; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective as of December 8, 1949.

LORING K. MACY,
Assistant Director,
Office of International Trade.

[F. R. Doc. 49-10499; Filed, Dec. 28, 1949;
8:49 a. m.]

[4th Gen. Rev. of Export Regs., Amdt. 71]

PART 372—PROVISIONS FOR INDIVIDUAL AND OTHER VALIDATED LICENSES

PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

MISCELLANEOUS AMENDMENTS

1. Section 372.8 *Issuance and use of export licenses* is amended in the following particulars:

Paragraph (c) *Validity of licenses* is amended by deleting the following commodity and related validity period, including the footnote reference and footnote thereto, from the table of validity periods of licenses for certain commodities:

Commodity	Validity period
Rice for shipment to Western Hemisphere countries ¹	60 days

2. Section 373.23 *Special provisions for exports of rice to Western Hemisphere countries* is hereby deleted.

(63 Stat. 7; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective December 31, 1949.

Dated: November 29, 1949.

LORING K. MACY,
Assistant Director,
Office of International Trade.

[F. R. Doc. 49-10501; Filed, Dec. 28, 1949;
8:50 a. m.]

[4th Gen. Rev. of Export Regs., Amdt. P. L. 22]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

RICE

Section 399.1 *Appendix A—Positive List of Commodities* is amended in the following particulars:

The following commodities are deleted from the Positive List:

Dept. of Comm. Sched. B. No.	Commodity
	Grains and preparations:
105500	Paddy or rough rice, except seed
105500	Paddy or rough rice for seed (bushel 45 pounds)
105710	Milled rice, containing more than 25 percent whole kernels (including brown rice)
105750	Milled rice, containing not more than 25 percent whole kernels (including brown rice, broken rice, and rice screenings)
105800	Rice flour, meal and polish

(63 Stat. 7; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective December 31, 1949.

Dated: November 29, 1949.

LORING K. MACY,
Assistant Director,
Office of International Trade.

[F. R. Doc. 49-10502; Filed, Dec. 28, 1949;
8:50 a. m.]

ing the information contained in the application up to date. The revised Form 1 has eliminated the need to furnish in the statement, which is part of the form, many items of information which experience has shown are furnished in the exchange's constitution and rules filed as an exhibit to the application. Under the revised rules an exchange will no longer be required to file a current amendment whenever a change is effected in the information contained in the application or exhibits. Such changes may now be reported by the exchange either by letter or by the filing of copies of notices made generally available to its own members.

Ordinarily, an exchange will be required to file a formal amendment only once each year in order to bring its application up to date. However, under § 249.6a-1 (d) of this chapter (Rule X-6A-1 (d)) whenever the number of changes to be reported in an amendment or the number of amendments filed are so great that the purpose of clarity will be promoted by the filing of a new complete statement and exhibits, an exchange may, at its election, or shall, upon request of the Commission, file a new complete statement together with all exhibits required in connection with it. In this connection it should be pointed out that the amendments, as originally proposed, provided in § 240.6a-4 (Rule X-6A-4) that each registered and each exempted exchange should, sometime between January 1 and June 30, 1950, file as an amendment to its registration or exemption statement a complete new Form 1 statement accompanied by the exhibits prescribed to be filed in connection therewith. These provisions are not part of the amended rules as finally adopted. It is believed that the Commission can use that provision of § 240.6a-1 (d) (Rule X-6A-1 (d)) mentioned above to accomplish the same purpose.

The Commission, acting pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly sections 5, 6, 17 (a), and 23 (a) thereof, and deeming all of such action necessary and appropriate in the public interest and for the protection of investors, and necessary for the execution of the functions vested in the Commission by the act, hereby adopts certain revised forms and certain amended rules

hereby assigned the related commodity group number "1".

2. All commodities on the Positive List having the processing code "ELME", which require a validated license to Country Group R and O destinations, are hereby assigned the related commodity group number "2", except the entry: "Other electronic tubes and parts, commercial and industrial, other than radio, except tungar tubes, Schedule B No. 709905".

(63 Stat. 7; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective as of December 8, 1949.

Dated: November 29, 1949.

LORING K. MACY,

Assistant Director,

Office of International Trade.

[F. R. Doc. 49-10504; Filed, Dec. 28, 1949; 8:51 a. m.]

TITLE 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 240—GENERAL RULES AND REGULATIONS SECURITIES EXCHANGE ACT OF 1934

REGISTRATION AND EXEMPTION OF EXCHANGES

The Securities and Exchange Commission has revised Forms 1 (17 CFR 249.1) and 9 (17 CFR 249.9) under the Securities Exchange Act of 1934 and has amended the rules under sections 5 and 6 of the Securities Exchange Act of 1934.

Copies of the proposed revised forms and rules were submitted to each registered and each exempted exchange for its comments and suggestions, notice of the proposed revisions to these forms and rules was published as required, and comments and suggestions were invited. A number of the comments and suggestions received were incorporated in the forms and rules as finally adopted.

The purpose of the revision of the forms and rules is to simplify the application for registration or exemption from registration as a national securities exchange, and to reduce the number of amendments required to be filed in keep-

[14th Gen. Rev. of Export Regs., Amdt. P. L. 23]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MISCELLANEOUS AMENDMENTS

Section 399.1 Appendix A—Positive List of Commodities is amended in the following particulars:

1. The following commodities are deleted from the Positive List:

Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar value limits	Validated license required
775096	Other industrial machinery: Industrial machinery and parts, n. e. s.; vacuum-tube (glass blank) making machinery (report vacuum-tube (glass blank) making machinery in 775090).	-----	GIEQ	100	RO

3. The following entries on the Positive List are amended by changing the commodity descriptions thereof as follows:¹

Item	Dept. of Commerce Schedule B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar value limits	Validated license required
1	707510	X-ray tubes and valves, 140 K. v. p. and over; and all X-ray diffraction tubes to	No....	SATE	None	RO
	707510	X-ray diffraction tubes; all X-ray tubes 1,000 PKV and over; X-ray tubes under 1,000 PKV, with effective focal spots 4 mm. square or less (except those 50 PKV to, but not including 140 PKV);	No....	SATE	None	RO
2	775030	Vacuum-tube manufacturing machinery.....	-----	GIEQ	100	RO
	775030	Vacuum-tube (glass blank) making machinery. (Report other vacuum-tube manufacturing machinery in 775098.)	-----	GIEQ	100	RO

¹ The effect of this change in commodity description for Schedule B No. 707510 is to delete X-ray tubes 140 PKV and over, but less than 1,000 PKV, with effective focal spots of more than 4 mm. square; and to add X-ray tubes less than 50 PKV, with effective focal spots of 4 mm. square or less.

(63 Stat. 7; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp.; E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

This amendment shall become effective as of December 8, 1949.

LORING K. MACY,
Assistant Director,
Office of International Trade.

[F. R. Doc. 49-10503; Filed, Dec. 28, 1949; 8:51 a. m.]

¹ The first entry in each of the above-numbered items is the entry as it has been previously published and the second entry in the

[14th Gen. Rev. of Export Regs., Amdt. P. L. 24]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MISCELLANEOUS AMENDMENTS

Section 399.1 Appendix A—Positive List of Commodities is amended in the following particulars:

1. All commodities on the Positive List having the processing code "ELME", which require a validated license to Country Group R destinations only, are numbered item represents the change made by this amendment.

and takes certain other action, all as more specifically set forth below:

§ 240.6a-1 *Form of application and amendments.* (a) An application of an exchange for registration as a national securities exchange, or for exemption from such registration, shall be made in duplicate on Form 1 (17 CFR 249.1), each of which shall be accompanied by the statement and exhibits prescribed to be filed in connection therewith.

(b) An amendment to such application shall be made in duplicate on Form 1-A (17 CFR 249.1a), and each amendment shall be dated and numbered in order of filing.

(c) Promptly after the discovery that any information in the statement, any exhibit, or any amendment was inaccurate when filed, the exchange shall file with the Commission an amendment correcting such inaccuracy.

(d) Whenever the number of changes to be reported in an amendment, or the number of amendments filed, are so great that the purpose of clarity will be promoted by the filing of a new complete statement and exhibits, an exchange may, at its election, or shall, upon request of the Commission, file as an amendment a complete new statement together with all exhibits which are prescribed to be filed in connection with Form 1.

§ 240.6a-2 *Annual amendments to registration or exemption statements of exchanges.* Prior to June 30 of each year each exchange registered as a national securities exchange or exempted from such registration shall file an annual amendment setting forth:

(a) All changes, and the effective dates thereof, which have been affected in any of the information contained or incorporated in the statement, or in Exhibits A (1), A (2), A (3), B, C and D, and which have not previously been reported in an annual amendment. Such amendment shall bring the statement and Exhibits A (1), A (2), A (3), B, C and D up to date as of the latest practicable date within one month of the date on which the amendment is filed. In the event that no changes have occurred in any of this material during the period covered by the amendment, a statement to that effect shall be set forth in the amendment.

(b) Complete Exhibits E and F as of the end of the latest fiscal year of the exchange, and of each affiliate and subsidiary listed in answer to Item 8 of the statement. In the event that Exhibit F is inapplicable to the exchange for the reason that it has no affiliate or subsidiary, the amendment shall include a statement to that effect in lieu of the information called for in Exhibit F.

(c) Complete Exhibits G, H, I, J, K, L and M. The information contained in these exhibits shall be up to date as of the latest practicable date within 3 months of the date on which the annual amendment is filed.

§ 240.6a-3 *Supplemental material.* Each exchange registered as a national securities exchange or exempted from such registration shall furnish the following supplemental material:

(a) Within 10 days after any action is taken which renders no longer accurate any of the information contained or incorporated in the statement or in any exhibit (except Exhibits E, F, L and M), or in any amendment thereto, the exchange shall file with the Commission written notification in triplicate setting forth the nature of such action and the effective date thereof. Such notification may be filed either in the form of a letter or in the form of a notice made generally available to members of the exchange.

(b) Within 10 days after issuing or making generally available to members of the exchange any material (including notices, circulars, bulletins, lists, periodicals, etc.) the exchange shall file with the Commission three copies of such material.

(c) Within 15 days after the end of each calendar month, or at such other periods as the Commission may designate, the exchange shall file with the Commission a report setting forth all changes and corrections necessary to bring the schedule of securities listed on the exchange (including changes and corrections in the number of shares of stock and principal amount of bonds issued and listed, and changes and corrections in the number of shares of stock and principal amount of bonds authorized for addition to list upon notice of issuance) up to date as of the end of the month or other period required to be covered by the report.

(d) Within 15 days after June 30 of each year, or at such other periods as the Commission may designate, the exchange shall file with the Commission a report setting forth all changes and corrections necessary to bring the schedule of securities admitted to unlisted trading privileges on the exchange (including changes and corrections in the number of shares of stock and principal amount of bonds outstanding) up to date as of June 30 of said year, or as of the end of the period required to be covered by the report.

(e) Within 15 days after the end of each calendar month the exchange shall file with the Commission a report concerning the securities sold on such exchange during such calendar month, setting forth:

(1) The number of shares of stock sold and the aggregate dollar amount thereof;

(2) The principal amount of bonds sold and the aggregate dollar amount thereof; and

(3) The number of units of rights and warrants sold and the aggregate dollar amount thereof.

Said rules shall be effective January 1, 1950.

The Commission hereby rescinds §§ 240.6b-1, 240.6b-2, 240.6b-3, and 240.6b-4 (Rules X-6B-1, X-6B-2, X-6B-3, and X-6B-4), heretofore adopted under sections 5 and 6 of the Securities Exchange Act of 1934. All of such rescissions shall be effective January 1, 1950.

The Commission finds that revised Form 1 (17 CFR 249.1), revised Form 9 (17 CFR 249.9) the new title of which is Form 1-A (17 CFR 249.1a), the adoption of §§ 240.6a-1, 240.6a-2, and 240.6a-3

(Rules X-6A-1, X-6A-2, and X-6A-3) and the rescission of §§ 240.6b-1, 240.6b-2, 240.6b-3, and 240.6b-4 (Rules X-6B-1, X-6B-2, X-6B-3, and X-6B-4), all have the effect of relieving restriction or granting exemption and that under section 4 (c) of the Administrative Procedure Act the said forms, amended rules, and rescissions shall be effective as prescribed herein.

(Secs. 5, 6, 48 Stat. 885, secs. 17 (a), 23 (a), 48 Stat. 897, 901; 15 U. S. C. 78e, 78f, 78g, 78w)

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

DECEMBER 22, 1949.

[F. R. Doc. 49-10486; Filed, Dec. 29, 1949; 8:49 a. m.]

PART 249—FORMS PRESCRIBED UNDER THE SECURITIES EXCHANGE ACT OF 1934

REGISTRATION OR EXEMPTION OF EXCHANGES

The Securities and Exchange Commission has revised Forms 1 (17 CFR 249.1) and 9 (17 CFR 249.9) under the Securities Exchange Act of 1934 and has amended the rules under sections 5 and 6 of the Securities Exchange Act of 1934.

Copies of the proposed revised forms and rules were submitted to each registered and each exempted exchange for its comments and suggestions, notice of the proposed revisions to these forms and rules was published as required, and comments and suggestions were invited. A number of the comments and suggestions received were incorporated in the forms and rules as finally adopted.

The purpose of the revision of the forms and rules is to simplify the application for registration or exemption from registration as a national securities exchange, and to reduce the number of amendments required to be filed in keeping the information contained in the application up to date. The revised Form 1 has eliminated the need to furnish in the statement, which is part of the form, many items of information which experience has shown are furnished in the exchange's constitution and rules filed as an exhibit to the application. Under the revised rules an exchange will no longer be required to file a current amendment whenever a change is effected in the information contained in the application or exhibits. Such changes may now be reported by the exchange either by letter or by the filing of copies of notices made generally available to its own members.

Ordinarily, an exchange will be required to file a formal amendment only once each year in order to bring its application up to date. However, under § 240.6a-1 (d) (Rule X-6A-1 (d)) whenever the number of changes to be reported in an amendment or the number of amendments filed are so great that the purpose of clarity will be promoted by the filing of a new complete statement and exhibits, an exchange may, at its election, or shall, upon request of the Commission, file a new complete statement together with all exhibits required

in connection with it. In this connection it should be pointed out that the amendments, as originally proposed, provided in Rule X-6A-4 (§ 240.6a-4) that each registered and each exempted exchange should, sometime between January 1 and June 30, 1950, file as an amendment to its registration or exemption statement a complete new Form 1 statement accompanied by the exhibits prescribed to be filed in connection therewith. These provisions are not part of the amended rules as finally adopted. It is believed that the Commission can use that provision of § 240.6a-1 (d) (Rule X-6A-1 (d)) mentioned above to accomplish the same purpose.

The Commission, acting pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly sections 5, 6, 17 (a), and 23 (a) thereof, and deeming all of such action necessary and appropriate in the public interest and for the protection of investors, and necessary for the execution of the functions vested in the Commission by the act, hereby adopts certain revised forms and takes certain other action, all as more specifically set forth below:

1. The Commission hereby revises Form 1¹ (17 CFR 249.1) to read as set forth in copies thereof marked "Revised January 1, 1950". Form 1 is the form of application for registration or exemption from registration as a national securities exchange. This revision shall be effective January 1, 1950.

2. The Commission hereby revises Form 9¹ (17 CFR 249.9) to read as set forth in copies thereof marked "Revised January 1, 1950", and changes the title of such form to Form 1-A (17 CFR 249.1a). Form 1-A is the form for amending an application for registration or exemption from registration as a national securities exchange. This revision shall be effective January 1, 1950.

(Secs. 5, 6, 48 Stat. 885, secs. 17 (a), 23 (a), 48 Stat. 897, 901; 15 U. S. C. 78e, 78f, 78g, 78w)

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

DECEMBER 22, 1949.

[F. R. Doc. 49-10487; Filed, Dec. 28, 1949;
8:50 a. m.]

TITLE 22—FOREIGN RELATIONS

Chapter II—Economic Cooperation Administration

[ECA Reg. 1, as Amended Nov. 15, 1949,
Order 5]

PART 201—PROCEDURES FOR FURNISHING ASSISTANCE TO PARTICIPATING COUNTRIES

EXTENSION OF FINAL DATE FOR SUBMISSION OF DOCUMENTATION OF DELIVERY OF OCEAN TRANSPORTATION SERVICES

Pursuant to the powers reserved in § 201.24 of ECA Regulation 1, the Administrator hereby waives the provisions

¹ Filed as a part of the original document.

of the regulation in the following respect:

Notwithstanding the provisions of § 201.5 (d) (2), documentation of delivery of ocean transportation services may be submitted as follows:

1. If the bill of lading covering ocean shipment and included within the documentation is dated on or before November 15, 1949, documentation of delivery may be presented to the Controller, ECA, Washington, D. C., through February 15, 1950.

2. In the case of dry cargo liner shipments on a "freight collect at destination" basis only, documentation of delivery may be presented to the Controller, ECA, Washington, D. C., within 120 days after the date of the bill of lading covering ocean shipment.

3. In the case of dry bulk cargo shipments only, if complete documentation covering at least 90 percent of the total amount of ocean freight charges eligible for ECA financing is presented to the Controller, ECA, Washington, D. C., within 90 days after the date of the bill of lading covering ocean shipment, documentation covering the remainder of the ocean freight charges eligible for ECA financing may be submitted within 60 days after final settlement of dispatch/demurrage claims.

4. In the case of tanker shipments only, if complete documentation covering the total amount of ocean freight charges eligible for ECA financing is presented to the Controller, ECA, Washington, D. C., within 60 days after the date of the bill of lading covering ocean shipment, documentation covering payments for demurrage eligible for ECA financing may be submitted within 30 days after final settlement of demurrage claims.

(Sec. 104 (f), Pub. Law 472, 80th Cong., as amended by Pub. Law 47, 81st Cong.)

WILLIAM FOSTER,
Acting Administrator for
Economic Cooperation.

[F. R. Doc. 49-10458; Filed, Dec. 28, 1949;
8:45 a. m.]

TITLE 30—MINERAL RESOURCES

Chapter I—Bureau of Mines, Department of the Interior

Subchapter A—Helium and Coal

PART 1—PRODUCTION AND SALE OF HELIUM

Part 1 is completely revised and restated, to take effect sixty days after publication in the FEDERAL REGISTER, as follows:

- Sec.
- 1.1 Definitions.
 - 1.2 Purchase price of helium.
 - 1.3 Service charges.
 - 1.4 Settlements under existing contracts.
 - 1.5 Applications.
 - 1.6 Advances, deposits, bonds.
 - 1.7 Initial advance for purchase of helium.
 - 1.8 Initial advance and guarantee for containers.
 - 1.9 Adjustment of accounts.
 - 1.10 Shipping containers.
 - 1.11 Repurchase rights of Government.
 - 1.12 Reservations with respect to sales and deliveries.

- Sec.
- 1.13 Determinations of purity and quantity.
 - 1.14 Special restrictions.
 - 1.15 Power of inspection.
 - 1.16 Implied agreements.
 - 1.17 Violations and penalties.
 - 1.18 Purchaser's bonds.
 - 1.19 Cancellation and assignment of contracts.
 - 1.20 Federal agencies not affected.
 - 1.21 Forms.

AUTHORITY: §§ 1.1 to 1.21, issued under 50 Stat. 886; 50 U. S. C. 164 (b).

§ 1.1 Definitions. (a) "Act" means the act authorizing the conservation, production, exploitation, and sale of helium gas, approved September 1, 1937 (50 Stat. 885; 50 U. S. C. 161, 163-166).

(b) "Special helium-production fund" means the fund referred to in subsection (c) of section 3 of this act.

(c) "Bureau" means the Bureau of Mines of the Department of the Interior.

(d) "Purchaser" means a person, firm, corporation, association or political authority, other than an agency of the United States Government, purchasing helium from the Bureau for medical, scientific, or commercial use, or using helium containers supplied by the Bureau.

(e) "Purity of helium" means the percentage by volume of the gaseous element, helium, in a mixture of that element and other gases.

(f) "Contained helium" means the actual quantity, by volume, of helium in a mixture of that element and other gases. The volume of the contained helium bears the same proportion to the volume of the mixture that the purity of the helium bears to 100 percent.

(g) "Unit of helium" means 1,000 cubic feet of contained helium measured at, or reduced to, a pressure of 14.7 pounds per square inch absolute and a temperature of 70° Fahrenheit.

(h) "Standard-type cylinder" means a cylinder of approximately 1.5 cubic feet internal volume, designed for a filling pressure of 1,800 pounds per square inch gage or more, which will stand vertically without external support with the center of the valve outlet not less than 50½ inches nor more than 58½ inches above the floor, equipped with a standard-type cylinder valve and valve-protective cap, or a similar cylinder acceptable to the Bureau as a standard type.

(i) "Standard-type cylinder valve" means a valve acceptable to the Bureau in all respects, having an outlet conforming to following specifications: U. S. standard form left-hand threads, 14 threads per inch, threaded portion ¾ inch in length; major diameter not more than 0.830 nor less than 0.824 inch; pitch diameter not more than 0.784 nor less than 0.780 inch; outlet opening drilled to have a diameter of not more than 0.504 nor less than 0.500 inch and a depth of not less than ¾ nor more than ½ inch; inside edge of opening rounded out to a radius of ¼ inch to permit insertion of a male connection tapered at an angle of 30 degrees: *Provided*, That at the Bureau's option valves with outlets conforming to other specifications may be accepted as alternative

standards. Each cylinder valve shall be equipped with an outlet-port cap.

(j) "Helium tank car" means a railroad car of the type used by the Army and Navy for transporting helium, on which cylinders designed to hold helium under high pressure are mounted permanently.

(k) "Helium semi-trailer" means a vehicle without motive power of a type used by the Army or Navy for transportation of helium by road, on which cylinders designed to hold helium under high pressure are mounted permanently.

(l) "Free time" means the following periods or parts thereof included within the time between the placement of a helium tank car on the purchaser's track or in other specified discharge position, and removal therefrom by the carrier for return shipment:

(1) The first Sunday following placement; the first legal national, state, or municipal whole-day holiday following placement; and the Monday following any such holiday that falls on Sunday.

(2) The period between placement and the end of the first 48-hour period (exclusive of any period falling within a Sunday, legal national, state, or municipal whole-day holiday, or Monday following such a holiday that falls on Sunday) after the first 7:00 a. m. subsequent to the placement.

(3) Any period during which the car is ready for removal and the carrier has been notified that it is ready for removal, and the time of removal.

(4) Any period during which the car cannot be unloaded or moved because of unserviceable conditions not caused by any fault of the purchaser.

§ 1.2 Purchase price of helium. (a) The purchase price per unit of helium, at a helium plant to be selected by the Bureau, for helium of normal plant purity of 99.5 percent or more delivered at pressures not exceeding the normal plant pressure of approximately 2,500 pounds per square inch gage, shall be \$13.50.

(b) *Minimum charge.* Notwithstanding the provisions of paragraph (a) of this section, the minimum charge for the helium delivered under any one contract shall be \$270.

§ 1.3 Service charges. The following charges for services and for use of equipment supplied by the Bureau shall be paid by the purchaser, in addition to the purchase price:

(a) *For filling standard-type cylinders.* \$2 per unit of helium delivered.

(b) *For work performed on standard-type cylinders supplied by the purchaser.*

(1) For hydrostatic testing and stenciling test date: \$1.30 per cylinder.

(2) Sealing cylinder valves: \$0.05 per cylinder.

(3) Stenciling serial numbers: \$0.10 per letter or figure.

(4) Installing valves supplied by purchaser in cylinders received without valves: \$0.25 per cylinder.

(5) Resetting valves, or removing valves and replacing with valves supplied by purchaser: \$0.50 per cylinder.

(c) *For extraordinary expenses.* Such expenses incurred in connection with any contract or delivery, including costs of repairing, cleaning, painting, or drying

purchasers' containers, filling containers of types other than those referred to in § 1.1 (h), (j), and (k), compressing or purifying helium beyond normal plant pressure or purity, delivering helium at a point other than a helium plant selected by the Bureau, and unusual handling, transportation and communications, may be determined by the Bureau, on the basis of the cost of rendering the services, making due allowance for contingencies, overhead expense, commercial common-carrier rates, and intangible factors, and charged to the purchaser as they arise.

(d) *For use of helium containers supplied by the Bureau.* (1) Standard-type cylinders: \$0.45 per cylinder per month or fraction of month; or, in lots of 500 or more, \$3 per cylinder per year: *Provided*, That upon the written approval of the Bureau, purchasers may themselves give such cylinders the quinquennial hydrostatic test required by the Interstate Commerce Commission, and for each cylinder so tested will be allowed a credit of \$0.75 on the rental charge: *And provided further*, That the minimum net charge under any one container contract shall be \$45.

(2) For each round trip of a helium tank car:

(i) A fixed charge of \$88, plus

(ii) A charge of \$0.11 for each whole mile, or major fraction thereof, of the total round-trip mileage between the helium plant at which the car is filled and the helium delivery destination, according to the official mileage tariffs of the railroads concerned and via the shortest rail route by which the car could be routed between the two terminals in accordance with established routing practices and with proper regard to clearance and weight limitations, whether the car actually travels that route or a longer route, plus

(iii) A charge of \$22 per day or fraction thereof for the time between placement on the purchaser's tracks or in other specified discharge position, and removal therefrom by the carrier for return shipment, less "free time" as defined in § 1.1 (l).

(3) For each helium semi-trailer: \$10 for the first two days or part thereof, and \$5 for each day or part thereof in excess of two days.

(e) *For use of tractor.* For a tractor with driver and fuel supplied by the Bureau for transportation of a helium semi-trailer: \$40 for each day or part thereof plus \$0.20 for each mile traveled pulling the semi-trailer and \$0.12 for each mile traveled by the tractor without the semi-trailer.

(f) *Computation of time periods.* The time periods of days, months, or years, referred to in paragraphs (d) (1), (d)

(3) and (e) of this section, shall begin the day following that in which the standard-type cylinder, semi-trailer, or tractor is placed in service for the purchaser, and shall end the day it is returned to the Bureau's service, except in the case of such containers or tractors placed in a purchaser's service and returned to the Bureau's service the same day. Any fractional period, including the period of use of a standard-type cylinder, semi-trailer or tractor placed

in a purchaser's service and returned to the Bureau's service the same day, shall count as a whole period: *Provided*, That if a standard-type cylinder used at the annual rate is returned on the Bureau's demand pursuant to § 1.10 (b) (3), or is returned at the purchaser's option after it has been in the purchaser's continuous service for more than one year, a fractional year shall be prorated on a basis of months, each month or fractional month being charged for at \$0.25. A standard-type cylinder, semi-trailer, or tractor shall not be considered to be returned to the Bureau's service until it is returned to the Bureau's point of origin or some other point designated by the Bureau, and, in the case of a standard-type cylinder used in making repeated shipments to the same purchaser, until it is released from that service. Seven o'clock, a. m. standard time, is the dividing line between days. The charge for the use of a standard-type cylinder, semi-trailer, or tractor shall abate during any period when it is out of service because of unserviceable condition not caused by any fault of the purchaser.

§ 1.4 Settlements under existing contracts. Uncompleted portions of contracts for the purchase of helium and for the use of containers in effect when the regulations in this part become effective may be performed and settled under the regulations in this part, by written agreement between the Bureau and the purchaser; but in the absence of such agreement shall be performed and settled under the terms of such contracts and of the regulations as they were in effect at the time such contracts were entered into.

§ 1.5 Applications—(a) Applications to purchase helium. Sales of helium will be made only upon a written application, signed by the applicant, setting forth all of the information and conditions required by the Bureau's form entitled "Application to Purchase Helium".¹ Such forms will be furnished by the Bureau upon request. If the application is deemed sufficient by the Bureau for that purpose, and the requirements for cash advance and bond (if required) are complied with, it shall become the contract of sale upon the written acceptance thereof by the Bureau.

(b) *Applications to use helium containers.* If a purchaser desires that containers be supplied by the Bureau, he may make application therefor on the Bureau's form entitled "Application to Use Helium Containers".¹ Such forms will be furnished by the Bureau upon request. If the desired containers are available, and if said application is deemed sufficient by the Bureau for that purpose, and the requirements for cash advance and deposit or bond are complied with, it shall become the contract for use of containers upon the written acceptance thereof by the Bureau.

§ 1.6 Advances, deposits, bonds—(a) Advances and bonds for purchase of helium. No helium will be delivered or services performed under the regulations

¹ Filed as part of the original document.

in this part except against cash paid in advance on account of the purchase price and services, and, when applicable, a bond or bonds as provided in §§ 1.8, 1.14 and 1.18.

(b) *Advances, deposits, bonds for use of containers.* No containers or tractors will be furnished by the Bureau under the regulations in this part except against cash paid in advance on account of their use and, unless waived by the Bureau, a cash deposit or bond to guarantee the return of all Government owned containers in satisfactory condition, or the repair or replacement of, or payment for, any containers lost or damaged, and payment of any other charges that may become due.

(c) *Purchaser to maintain adequate credits and bonds.* The purchaser shall at all times maintain with the Bureau a cash credit sufficient to cover all or as much as the Bureau may require of the purchase price of the helium together with such charges for services and use of containers or tractors as may accrue, and, unless waived by the Bureau, a cash deposit or bond adequate to save the Bureau harmless from loss of or damage to containers and to guarantee payment of all charges.

(d) *Initial and supplemental advances, deposits, bonds.* Applicants for helium and for use of containers or tractors may estimate the amounts of the total and initial cash advances and deposits or bonds from the Bureau's established purchase prices, service charges, and container values, and make the necessary payments with their application, or may await a determination and statement of these items by the Bureau after the filing of the application. If the Bureau at any time deems any advance, deposit, or bond insufficient, it may require that it be made sufficient as a condition to further deliveries of helium or use of containers or tractors.

(e) *Computation of cash advance when method of shipment is uncertain.* If the type of container in which helium is to be shipped has not been decided at the time an application is made, the cash advance shall include the service charge for filling standard-type cylinders as specified in § 1.3 (a), but in adjusting accounts pursuant to § 1.9, filling charges will not be made for units shipped in helium tank cars or helium semi-trailers.

(f) *Form of checks for advances and deposits.* All cash advances, deposits, and additions thereto shall be made in the form of certified checks or cashier's checks payable to the Treasurer of the United States, unless this requirement is waived by the Bureau. A separate check shall be furnished for the amount due under each contract.

(g) *Advances and deposits to be credited to special helium-production fund.* All cash advances, deposits, and other moneys received under the regulations in this part shall be credited to and deposited in the special helium-production fund.

§ 1.7. *Initial advance for purchase of helium.* The initial cash advance for purchase of helium may be computed as follows:

(a) *On account of purchase price.* (1) With applications for 500 units of helium or less: The full purchase price (not less than \$270).

(2) With applications for more than 500 units of helium: \$6,750, but the Bureau may require more.

(b) *On account of services.* The full amount of the estimated charges for the services to be rendered, not including charges for use of containers or tractors furnished by the Bureau.

§ 1.8 *Initial advance and guarantee for containers.* Unless the Bureau indicates some other or different requirements, the initial cash advance and the deposit or bond for use of containers may be determined as follows:

(a) *Cash advance for use of containers.* (1) \$1.35 for each standard-type cylinder, but not less than \$135 for cylinders contracted for on a monthly basis.

(2) \$3 for each standard-type cylinder, but not less than \$1,500 for cylinders contracted for on an annual basis.

(3) \$300 for each round trip by a helium tank car.

(4) \$50 for each round trip by a helium semi-trailer.

(5) \$200 for each round trip by a tractor, if supplied by the Bureau to haul a helium semi-trailer.

(b) *Cash deposit or bond as guarantee for containers and charges.* (1) \$25 for each of the first 500 standard-type cylinders, \$10 for each of the second 500 of such cylinders, and \$2 for each cylinder in excess of 1000.

(2) \$50,000 for one helium tank car; or \$100,000 for more than one but fewer than five helium tank cars, and an additional \$10,000 for each helium tank car in excess of four, to be in the purchaser's service at any one time.

(3) \$10,000 for one helium semi-trailer; or \$20,000 for more than one but fewer than five helium semi-trailers, and an additional \$2,000 for each helium semi-trailer in excess of four, to be in the purchaser's service at any one time.

§ 1.9 *Adjustments of accounts—(a) Delivery which fulfills contract.* The delivery of a quantity of helium within plus or minus five percent of that contracted for shall constitute performance on the part of the Bureau, but payments for the helium shall be on the basis of the number of units delivered.

(b) *Refunds to purchasers.* As contracts of sale are performed by the Bureau by the delivery of helium, and as contracts for use of containers are performed by the purchaser by the return of containers and other equipment furnished by the Bureau, the Bureau may make refunds from time to time to the purchaser, from any credits to the purchaser's account in the special helium-production fund, to the extent that the Bureau deems such credit or credits to be in excess of the amounts that may be required to secure the performance of any outstanding contract or contracts of that purchaser; and, in any event, upon full performance by both the Bureau and the purchaser of any contract of sale or contract for use of containers, the Bureau shall refund to the purchaser any balance left to the purchaser's credit on

account of such contract: *Provided, That* the Bureau, at its option, may transfer any such credit or any debit remaining on account of any particular contract to the account of any uncompleted contract with the same purchaser.

§ 1.10 *Shipping containers—(a) Containers may be provided by the purchaser or the Bureau.* The applicant may provide containers, as indicated by the Application to Purchase Helium, or may request the Bureau to provide them, as indicated by the Application to Use Helium Containers. Containers provided by the applicant must be satisfactory to the Bureau in all respects, must be free internally from oil or water, and shall comply with the requirements for shipment in interstate commerce. The Bureau will not use or fill any container which in its opinion is unsafe or unsuitable.

(b) *Provisions applicable to all types of containers supplied by the Bureau.*

(1) Agencies of the Federal Government requisitioning helium from the Bureau will have preference in the use of containers.

(2) The purchaser shall make every effort to prevent loss of or damage to containers supplied by the Bureau; shall not use such containers for any purpose other than transportation or storage of helium purchased from the Bureau; and shall not permit any substance to be compressed or injected into such containers without the Bureau's written consent.

(3) The purchaser shall keep account of all containers supplied by the Bureau (by serial number if a container is so numbered and if the Bureau makes written request for such record) and shall return such containers (including attached valves and other parts) to the helium plant or other point from which they were shipped to the purchaser, or to such other point as may be specified in writing by the Bureau, at no greater cost to the purchaser. Notwithstanding any other provisions of the regulations in this part, the purchaser shall return standard-type cylinders within 80 days and shall return helium tank cars and helium semi-trailers within 30 days after receipt of notice that their return is required.

(4) The purchaser shall not, without written approval of the Bureau of Mines, remove, obliterate or obscure any of the Government's stamped or painted markings on such containers, nor stamp, paint or otherwise apply permanent markings on the metal of such containers, except records of hydrostatic tests stamped into the metal thereof in the manner prescribed by the Interstate Commerce Commission if the making of such tests by the purchaser is authorized by the Bureau: *Provided, That* the purchaser may place temporary markings on said containers if such markings are applied in a manner that will in no way affect the metal of or paint on said containers or attached fittings, but any such temporary markings not authorized by the Bureau in writing shall be removed before return of the containers to the Bureau.

(5) Title to all containers supplied to purchasers under the regulations in this

part shall remain in the United States. Payment by the purchaser for a container rendered unserviceable or not returned shall not vest title to such container in the purchaser.

(6) The purchaser shall pay to the carrier all transportation charges and demurrage fees resulting from shipment of the containers and their contents to the purchaser and return of the containers to the Bureau, unless the Bureau has agreed in writing to pay such transportation charges and fees.

(7) In the event that the Bureau pays any transportation costs (other than haulage of a helium semi-trailer by a tractor furnished by the Bureau) on containers in the service of a purchaser, the purchaser shall reimburse the Bureau for such transportation at commercial common-carrier rates for the kind of transportation used, whether or not the transportation was by common carrier, or the cost incurred by the Bureau, whichever shall be the higher.

(8) The purchaser shall not remove containers furnished by the Bureau from the continental limits of the United States without specific permission of the Bureau, except for continuous passage through Canada en route between locations in the United States, which passage shall be in accordance with all laws and regulations applying to such passage through Canada.

(9) Any use or operation by the purchaser of containers furnished by the Bureau shall be in full compliance with all applicable Federal and State laws.

(10) The purchaser shall completely indemnify the Government and hold it harmless from any loss or expense arising from claims of third persons in connection with personal injuries or damage to property or otherwise arising from any Government-owned container while in the service or custody of the purchaser.

(c) *Provisions applicable to standard-type cylinders supplied by the Bureau.*

(1) If any standard-type cylinder supplied by the Bureau is not returned within 80 days after receipt of notice that its return is required, or is rendered unserviceable by defects or failure to pass a quinquennial hydrostatic test as a result of mistreatment or damage beyond the effects of ordinary wear, tear, and age, occurring during the period commencing with the delivery or shipment of such cylinder to the purchaser and ending with the return of such cylinder to the Bureau, the purchaser shall be charged and shall pay to the Bureau, or cause to be paid to the Bureau, the value thereof as determined by the Bureau, which value, however, shall not be more than \$30 nor less than \$15. The entry of such charge on account of any cylinder not returned shall terminate the charge for the use thereof as of the end of the current month or year for which charge is made pursuant to § 1.3 (d), but if said cylinder subsequently is returned in serviceable condition, the Bureau shall credit or refund to the purchaser, from the special helium-production fund, the amount charged for the cylinder less \$0.45 for each month or part thereof if the charge for use of the cylinder was on a monthly

basis, or less \$0.25 for each month or part thereof if the charge for the use of the cylinder was on a yearly basis, during the period from the date when the use charge was terminated to the date of the return of the cylinder.

(2) The purchaser shall be charged with and shall pay to the Bureau, or cause to be paid to the Bureau, the cost of repairing the damage (as estimated by the Bureau if immediate repair is not made) to any returned cylinder which, although serviceable, has suffered damage beyond that attributable to ordinary wear, tear, and age, during the period while it was in the service of the purchaser.

(d) *Provisions applicable to helium tank cars supplied by the Bureau.* (1) All movements of helium tank cars, full and empty, shall be under such Shipment Orders and in accordance with such Route Orders as the Bureau may direct.

(2) The purchaser shall be charged with any excess empty mileage of helium tank cars for which the purchaser is responsible and which has been paid by or charged to the Federal Government.

(3) At the discretion of the Bureau, the purchaser may be charged the amount of any bill received by the Bureau or other Government agency from a railroad for repair of damage incurred by a helium tank car at a discharge terminal while in the custody of the purchaser.

(e) *Provisions applicable to helium tank cars and helium semi-trailers supplied by the Bureau.* (1) Bills of lading issued by the purchaser for shipment of helium tank cars and helium semi-trailers shall be in such form and shall bear such notations as the Bureau may direct.

(2) The purchaser shall not remove the cylinders of helium tank cars or helium semi-trailers from their mountings without specific authority of the Bureau in each case.

(3) The purchaser shall make good or cause to be made good, to the Government, by replacement of materials or by financial reimbursement, as may be appropriate and satisfactory to the Bureau, all losses and damages, not caused by any fault or negligence of the Government, to any helium tank car or helium semi-trailer during any period when such car or semi-trailer is in the service or custody of the purchaser. Financial reimbursement shall be satisfactory to the Bureau and to any other Governmental agency having jurisdiction over the equipment lost or damaged, but shall not exceed the purchase price for which the Government purchased the equipment and its parts, including costs of assembly.

§ 1.11 *Repurchase rights of Government.* The Government shall have the right to repurchase helium that has been sold by the Bureau and that has not been lost or dissipated, when needed for Government use, upon the following terms and conditions:

(a) *Price for repurchase.* The price to be paid by the Government per unit of helium, for delivery at the place of use or storage, for helium of 99.5 percent purity or better, shall be the higher of either of the following:

(1) The price at which said helium was purchased from the Bureau, less one-half of one percent of said price for each month or fraction thereof since the said helium was purchased from the Bureau, or

(2) The highest price per unit for helium purchased from the Bureau for commercial use during the fiscal year immediately preceding the repurchase.

(b) *Adjustment for purity.* For repurchased helium of less than 99.5 percent purity the unit price to be paid by the Government shall be the price as above determined less one percent thereof for each one percent that the purity is below 99.5 percent.

§ 1.12 *Reservations with respect to sales and deliveries.* The Bureau reserves the absolute right and discretion to limit or defer sales and deliveries under contracts to conform to the needs and requirements of the Government, and to give such preferences as between sales for medical, scientific, and commercial use, and requisitions by Government agencies, as it deems proper: *Provided*, That in all cases requirements for Government use shall have first preference. All furnishing of services and supplying of containers and tractors under the regulations in this part shall be at the Bureau's option.

§ 1.13 *Determination of purity and quantity.* Determinations of purity and quantity of helium shall be by methods prescribed by or acceptable to the Bureau.

§ 1.14 *Special restrictions—(a) Sales for the inflation of airships.* Helium produced by the Bureau shall not be sold or used for the inflation of airships except such airships as operate in or between the United States or its territories and possessions, or between the United States or its territories and possessions and foreign countries. Helium produced by the Bureau shall not be sold or used for the inflation of any airship operating between two foreign countries notwithstanding such airship may also touch at some point in the United States. Any application for the purchase of helium for the purpose of inflating any airship shall show that fact on the face of the application.

(b) *Exportation of helium.* The act places certain restrictions and conditions upon the exportation of helium, and neither the regulations in this part nor any sale or contract of sale pursuant to the regulations in this part is intended to authorize or shall be construed as authorizing the exportation of helium. Any application for the purchase of helium for exportation shall show that fact on the face of the application.

(c) *Liquidated damages.* The Bureau may require in any contract for the purchase of helium a provision for the payment by the purchaser of liquidated damages, in an amount to be fixed by the Secretary of the Interior, in the event of failure by the purchaser faithfully to comply with the act and the regulations in this part and with the terms of the contract; if such a provision is required, the contract shall be accompanied by a domestic corporate surety bond, satis-

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factory to the Secretary of the Interior, in like amount conditioned upon faithful compliance by the purchaser with the act and the regulations in this part and with the terms of the contract. Such bond shall continue in force as long as any of the helium delivered under such contract shall remain in captivity, or for a period of three years (whichever shall be the longer).

§ 1.15 *Power of inspection.* Authorized representatives of the United States may enter and inspect at all reasonable times the place (including places in foreign countries) where any helium produced by the Bureau is stored or used, to the extent reasonably necessary to ascertain whether it is being used or is likely to be used in violation of restrictions in the act or the regulations in this part on the exportation of helium or its use for the inflation of airships.

§ 1.16 *Implied agreements.* Every purchaser and every re-purchaser, possessor, or user of helium produced by the Bureau, shall be deemed to have expressly consented and agreed to comply with and be bound by the act and the regulations in this part, including the power of inspection provided for in § 1.15, all restrictions on the exportation of helium and its use for the inflation of airships, and the Government's right of repurchase set out in § 1.11.

§ 1.17 *Violations and penalties.* For violation of any of the provisions of the act or of the regulations in this part, the Bureau, in addition to any other penalties provided by law, may cancel all future deliveries and forfeit all deposits under existing contracts of purchasers responsible for or in any manner aiding or participating in such violations, and may deny all pending or future applications from applicants who are or have been responsible for or who have participated in or in any way aided such violations. Likewise, any liquidated damages provided for on account of such violations shall become due and payable.

§ 1.18 *Purchaser's bonds.* As a condition to the acceptance of any application for the purchase of helium, the Bureau may require the applicant to give a domestic corporate surety bond upon the condition that none of the helium applied for shall be used in violation of the regulations in this part or the act, in such amount and upon such further terms and conditions as the Bureau may deem suitable.

§ 1.19 *Cancellation and assignment of contracts.* Contracts for the purchase of helium or for the use of containers may not be canceled, assigned or otherwise transferred without the written consent of the Bureau.

§ 1.20 *Federal agencies not affected.* The regulations in this part have no application to requisitions of helium by agencies of the Federal Government, nor to the use of helium by such agencies.

§ 1.21 *Forms.* Forms of applications and contracts for purchase of helium and for use of helium containers will be furnished by the Bureau upon request. The Bureau may make alterations in or addi-

tions to said forms, and may require the execution of a contract in a different form.

The foregoing revised regulations are recommended for approval this 16th day of November 1949.

JAMES BOYD,
Director, Bureau of Mines.
J. A. KRUG,
Secretary of the Interior.

Approved: December 3, 1949.

HARRY S. TRUMAN,
The White House.

[F. R. Doc. 49-10478; Filed, Dec. 28, 1949;
8:53 a. m.]

TITLE 45—PUBLIC WELFARE

Chapter V—War Claims Commission

Subchapter A—Rules of Practice

PART 501—PRACTICE BEFORE THE COMMISSION

- Sec.
501.1 Appearance.
501.2 Authorized representatives.
501.3 Attorneys at law.
501.4 Agents.
501.5 Accredited organizations.
501.6 Rules governing representatives and cancellation of authorization.
501.7 Schedule of fees.

AUTHORITY: §§ 501.1 to 501.7 issued under sec. 2 (c), Pub. Law 896, 80th Cong.

§ 501.1 *Appearance.* Any person may appear in proceedings relating to a claim before the Commission in his own behalf or through his authorized representative.

§ 501.2 *Authorized representative.* The Commission will recognize three categories of authorized representatives: (a) An attorney at law authorized to practice before the Commission (b) an agent authorized to practice before the Commission, or (c) an accredited organization. The Office of the General Counsel shall be the custodian of the records relating to authorized representatives.

§ 501.3 *Attorneys at law.* An attorney at law shall be deemed authorized to practice before the Commission, who after first filing a petition (WCC Form 1002, Petition For Admission To Practice As Attorney Practitioner) requesting enrollment shall be approved and placed upon the approved attorneys' roll by the Commission. The petition for enrollment shall state, among other things, the name and address of the petitioner, the place or places and dates of admission to practice law, a statement that the petitioner is in good standing as a member of the bar, a statement of employment if any by the government and dates; that he is familiar with section 10 of the Act of 1948, as amended, and the regulations of the Commission fixing fees thereunder and stating that he will comply with such rules of the Commission. Such petition should be supported by a certificate of court of record in the state, territory, or District of Columbia in which such attorney practices that he is a person of good moral character and a member of the bar in good standing. After examination of such petition and supporting evidence and such investigation as the Commission deems necessary the Commission in its discre-

tion will allow or deny the petition for enrollment.

§ 501.4 *Agents.* An agent shall be deemed authorized to practice before the Commission who after first filing a petition (WCC Form 1003, Petition For Admission To Practice As Agent Practitioner) requesting enrollment shall be approved and placed upon the approved agents' roll by the Commission. The petition of enrollment shall state the name and address of petitioner, his usual business, experience in representing persons before the government, employment by the government if any with dates; said petition shall also contain a statement that the agent is familiar with section 10 of the act and the fees fixed by the Commission thereunder and that the agent intends to comply with such scheduled fees and other regulations of the Commission. Corporations may be recognized as agent representatives in appropriate cases. Any such corporate agent must present in its petition facts with reference to its organization, charter, purposes and business and also state its intention to observe the regulations of the Commission and the act with reference to fees. After examination of such petition and supporting evidence and such investigation as the Commission deems necessary, the Commission in its discretion will allow or deny the petition for enrollment.

§ 501.5 *Accredited organizations.* (a) Persons designated by veterans', service, and other organizations to appear before the Commission in a representative capacity on behalf of claimants shall be deemed duly authorized to practice before the Commission when the designating organization shall have been issued a letter of accreditation by the Commission.

(b) Petitions for accreditation shall be in writing, executed by duly authorized officer or officers, addressed to the War Claims Commission, Washington 25, D. C.

(c) Upon receipt of a petition setting forth pertinent facts as to the organization's history, purpose, number of posts or chapters and their locations, approximate number of paid-up membership, statements that the organization will not charge any fee for services rendered by its designates in behalf of claimants and that it will not refuse on the grounds of non-membership to represent any claimant who applies for such representation if he has an apparently valid claim; accompanied by a copy of the organization's constitution or charter, by-laws, and its latest financial statement, the Commission in its discretion will consider and in appropriate cases issue or deny letters of accreditation.

§ 501.6 *Rules governing representatives and cancellation of authorization.* No attorney or agent authorized to practice before the Commission shall either directly or indirectly charge or accept any fee or other remuneration in excess of the amount of such fee fixed by the Commission in each class of cases. No person shall attempt to represent any claimant or person acting in behalf of the claimant until a power of attorney in the form prescribed by the Commission or substantially similar to such form has

been duly executed and filed with the Commission. Any violation of this part or other rules of the Commission by attorneys, agents, or organizations shall constitute cause for revocation of authority to practice before the Commission. In the event there is brought to the attention of the Commission information that any person authorized to practice before the Commission has been disbarred, indicted, or found guilty of acts which in the judgment of the Commission renders such person unsuitable to represent claimants before it, the Commission may revoke the authority of such person to practice before it. Whenever the Commission is informed that fees in excess of those fixed by it are being charged, collected, received or paid directly or indirectly the Commission shall initiate appropriate procedures to invoke penal provisions of the act.

§ 501.7 Schedule of fees. The following schedule of fees is set forth as follows:

For assisting interneers or evaders in the preparation and filing of an application for detention benefits * * * not in excess of 1% of the total amount awarded.

For assisting prisoners of war in the preparation and filing of an application for compensation * * * not in excess of 1% of the total amount awarded.

For assisting survivors of interneers, evaders, or prisoners of war in the preparation and filing of an application for either detention benefits or compensation * * * not in excess of 2% of the total amount awarded.

For securing additional oral or written testimony, or in the preparing and presenting of an appeal under sections 5 and 6 of the act the Commission may authorize an additional fee, but said additional fee plus the fee previously allowed will not exceed 10% of the total amount awarded.

For assisting religious organizations in the preparation and filing of an application for reimbursement under section 7 of the act, not in excess of

10% on the first \$1,000 awarded.

7½% on the next \$9,000 awarded.

5% on the next \$40,000 awarded.

1% on all over \$50,000 awarded.

DANIEL F. CLEARY,
Director.

[F. R. Doc. 49-10507; Filed, Dec. 28, 1949;
8:52 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

Subchapter A—General Rules and Regulations

[S. O. 844]

PART 95—CAR SERVICE

FURNISHING OF CARS FOR RAILROAD LOCOMOTIVE FUEL COAL SUPPLY

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 23d day of December A. D. 1949.

It appearing, that as a number of railroads in all sections of the country have an extremely short supply of coal for railroad locomotive fuel, and therefore their ability to adequately perform car service and their common carrier duties in the interest of the public and the commerce of the people is seriously

threatened, it is the opinion of the Commission that an emergency requiring immediate action exists in all sections of the country: It is ordered, that:

§ 95.844 Furnishing of cars for railroad locomotive fuel coal supply. (a) Any common carrier by railroad subject to the Interstate Commerce Act having less than nine (9) days' supply of fuel coal for locomotives, and not having available a dependable source of supply of locomotive fuel coal (including fuel coal stock piled or loaded on cars on its line) and deeming it necessary to increase its supply, shall through its chief operating officer certify that fact to Homer C. King, Director, Bureau of Service, Interstate Commerce Commission, Washington, D. C., with complete information as to the mine sources of its locomotive fuel coal, the grades of such coal which it requires for its locomotives and the estimated tonnage it will require weekly based upon the average weekly consumption during the period from November 14 to December 12, 1949, together with the average weekly tonnage of such coal supplied by each individual mine named during said period.

(b) Upon receipt of the certification provided for in paragraph (a) of this section, the Director of the Bureau of Service shall satisfy himself as to the facts and shall thereafter direct the railroad or railroads serving a mine from which locomotive fuel coal is supplied to the railroad making such certification to supply cars to that mine for the loading of coal for said certifying railroad, and no cars may be supplied said mine for loading of other than railroad locomotive fuel coal in grades called for by railroad purchase orders unless and until the tonnage of locomotive fuel coal supplied to the certifying railroad in any week equals the average supplied to such railroad during the said period from November 14 to December 12, 1949.

(c) *Applications.* The provisions of this section shall apply to intrastate as well as interstate traffic.

(d) *Effective date.* This section shall become effective at 12:01 a. m., December 24, 1949.

(e) *Expiration date.* This section shall expire at 11:59 p. m., February 25, 1950, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, that copies of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-10505; Filed, Dec. 28, 1949;
8:45 a. m.]

Subchapter B—Carriers by Motor Vehicle

PART 179—TRANSFERS OF OPERATING RIGHTS

TRADING IN OPERATING RIGHTS FOR PROFIT

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 12th day of December A. D. 1949.

On August 23, 1949, notice of proposed rule making was published in the FEDERAL REGISTER (14 F. R. 5232) regarding the proposed revision of the transfer rules and regulations (49 CFR, 1943 Supp. 179.0-179.6) for the purpose of curbing the so-called trading in operating rights for profit.

Due consideration having been given to the written data, views and arguments submitted to the Commission in favor of or against the proposed rule, and revision thereof to the extent found justified having been made;

It is ordered, That paragraph (c) of § 179.1, *Applications for substitution of parties*, be amended by adding at the end thereof the following:

A proposed transfer of operating rights will not be approved if the Commission finds that the transferee does not intend to, or would not, engage in bona fide motor carrier operations under such operating rights, or if the Commission finds that the transferor acquired such operating rights for the purpose of profiting therefrom and has not engaged in bona fide motor carrier operations under such operating rights.

As amended, § 179.1 (c) will now read:

(c) An operating right may be divided as to routes or territories, and part thereof transferred, provided such routes or territories are clearly severable and the division thereof does not permit the creation of duplicate operating rights. No division of operating rights based upon the class or classes of property authorized to be transported will be approved, unless it appears to the satisfaction of the Commission that the part of the operating rights sought to be transferred is, because of a difference in the nature or type of the service rendered, clearly distinguishable and severable from the remaining operating rights.

A proposed transfer of operating rights will not be approved if the Commission finds that the transferee does not intend to, or would not, engage in bona fide motor carrier operations under such operating rights, or if the Commission finds that the transferor acquired such operating rights for the purpose of profiting therefrom and has not engaged in bona fide motor carrier operations under such operating rights.

This order shall be effective January 31, 1950, and shall continue in effect until the further order of the Commission; and

Notice hereof shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission, Washington, D. C., and by filing a copy with the Director, Division of the Federal Register.

(49 Stat. 551-552, 555, 52 Stat. 1238-1239, 54 Stat. 923-924; 49 U. S. C. 306, 309, 312)

By the Commission, Division 5.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-10515; Filed, Dec. 28, 1949;
8:47 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART 34—UNIFORM SYSTEM OF ACCOUNTS FOR RADIOTELEGRAPH CARRIERS

RECAPITULATION OF PART

Because of the number of outstanding amendments to Part 34 since it was last published in the FEDERAL REGISTER (12 F. R. 709), there follows a recapitulation of this part revised to and including the Commission's action of October 14, 1949 (14 F. R. 6404). In connection with the October 14, 1949, action, it should here be noted that the amendments adopted therein are effective May 1, 1950, or January 1, 1950, in the discretion of the carrier.

APPLICABILITY

- Sec.
34.01-1 Carriers subject to this system of accounts.
34.01-2 Classification of carriers.
34.01-3 Determination of class.

DEFINITIONS

- 34.02-1 Restrictive use of certain terms.

INSTRUCTIONS—GENERAL
34.03-1 Classes of records.
34.03-2 Basis of entries in books of account.
34.03-3 Records supporting accounting entries.
34.03-4 Transactions with affiliates.
34.03-5 Summary accounts, subaccounts, additional clearing accounts, and temporary or experimental accounts.
34.03-6 Transferring balances from accounts previously maintained.
34.03-7 Charges to be just and reasonable.
34.03-8 Entries involving telephone, wire-telegraph, or ocean-cable service.
34.03-9 Sequence of accounts not indicative of reports required.
34.03-10 Research and development.
34.03-11 Interpretation of the prescribed accounting.
34.03-12 Interpretation of item lists.
34.03-13 Delayed items.
34.03-14 Unaudited items.
34.03-15 Unusual items.
34.03-16 Transactions involving foreign currency.
34.03-17 Apportioning amounts among accounts.
34.03-18 Transactions involving joint operations.

INSTRUCTIONS—DEPRECIATION ACCOUNTING

- 34.04-1 Classes of depreciable operated plant.
34.04-2 Computation of depreciation rates.
34.04-3 Depreciation charges.
34.04-4 Plant retired for causes not known to be in current operation.

INSTRUCTIONS FOR CLASS B CARRIERS

- 34.05-1 Primary operating revenue accounts for class B carriers.
34.05-2 Primary operating expense accounts for class B carriers.

REPORTING REQUIREMENTS

- Sec.
34.06-1 Provisions that require specific approval of the Commission before accounting is performed.
34.06-2 Provisions that require certain special reports to be filed.

BALANCE-SHEET ACCOUNTS

INSTRUCTIONS

- 34.10-1 Purpose of balance-sheet accounts.
34.10-2 Current assets.
34.10-3 Prepayments.
34.10-4 Deferred charges.
34.10-5 Current liabilities.
34.10-6 Long-term debt.
34.10-7 Book cost of securities owned.
34.10-8 Exchange of securities.
34.10-9 Capital stock.
34.10-10 Surplus.
34.10-11 Provisions for future settlements.
34.10-12 Deferred credits.
34.10-13 Discount, expense, and premium on capital stock.
34.10-14 Discount, expense, and premium on long-term debt.
34.10-15 Irrevocable trusts.
34.10-16 Contingent assets and liabilities.
34.10-17 Nominally issued securities.
34.10-99 Contemplated form of balance sheet.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Communication Plant

- 34.1000 Operated plant in carrier's service.
34.1100 Operated plant leased to others.
34.1200 Improvements and replacements of operated plant leased from others.
34.1300 Plant under construction.
34.1400 Plant held for future communication use.
34.1510 Plant acquisition adjustments.
34.1515 Allowance for depreciation—Radio-telegraph plant.
34.1520 Allowance for amortization—Radio-telegraph plant.
34.1530 Telephone, wire-telegraph, and ocean-cable plant.
34.1535 Allowance for depreciation and amortization—Telephone, wire-telegraph, and ocean-cable plant.
34.1599 Foreign investment in communication plant.

Investments and Funds

- 34.1610 Miscellaneous physical property.
34.1615 Allowance for depreciation—Miscellaneous physical property.
34.1620 Investments in affiliates.
34.1629 Other investments.
34.1630 Debt-redemption funds.
34.1635 Employees' provident funds.
34.1640 Insurance funds.
34.1645 Miscellaneous funds held by trustees.
34.1659 Other miscellaneous funds.
34.1698 Amortized discount and premium on investment securities.
34.1699 Allowance for doubtful investments.

Current Assets

- 34.1710 Cash.
34.1715 Special cash deposits.
34.1720 Working cash advances.
34.1725 Temporary investments.
34.1730 Operating revenues receivable from users.
34.1742 Traffic settlements receivable from affiliates.
34.1749 Other receivables from affiliates.
34.1751 Notes receivable.
34.1752 Traffic settlements receivable.
34.1753 Matured interest receivable.
34.1754 Declared dividends receivable.
34.1755 Matured rents receivable.
34.1759 Other accounts receivable.

Sec.

- 34.1765 Allowance for uncollectible receivables.
34.1770 Unmatured accrued receivables.
34.1775 Subscriptions to capital stock.
34.1780 Deposits on subscriptions to capital stock.
34.1785 Subscriptions to bonds.
34.1790 Deposits on subscriptions to bonds.
34.1795 Material and supplies.
34.1799 Other current assets.

Prepayments

- 34.1810 Prepaid insurance.
34.1815 Prepaid rents.
34.1820 Prepaid taxes.
34.1899 Other prepayments.

Deferred Charges

- 34.1910 Extraordinary maintenance, depreciation, and retirements.
34.1915 Capital stock expense.
34.1920 Long-term debt expense.
34.1925 Discount on capital stock.
34.1930 Unamortized discount on debt.
34.1935 Preliminary survey and investigation charges.
34.1940 Debit balances in clearing accounts.
34.1999 Other deferred charges.

Long-Term Debt

- 34.2010 Bonds actually issued.
34.2015 Bonds reacquired.
34.2020 Bonds subscribed—Unissued.
34.2025 Receivers' and trustees' securities.
34.2030 Advances from affiliates.
34.2099 Other long-term debt.

Current Liabilities

- 34.2110 Matured long-term debt.
34.2115 Customers' deposits.
34.2122 Traffic settlements payable to affiliates.
34.2129 Other payables to affiliates.
34.2131 Notes payable.
34.2132 Traffic settlements payable.
34.2133 Matured interest payable.
34.2134 Declared dividends.
34.2135 Matured rents payable.
34.2139 Other accounts payable.
34.2155 Advance billings.
34.2160 Installment-plan receipts on purchase of capital stock.

(Liability accruals)
34.2165 Interest accruals.
34.2170 Rent accruals.
34.2175 Tax accruals.
34.2180 Other accruals.
34.2199 Other current liabilities.

Provisions for Future Settlements

- 34.2210 Provisions for employees' pensions and welfare.
34.2215 Provisions for self-carried insurance.
34.2220 Provisions for equalization of maintenance expenses.
34.2225 Provisions for depreciation and replacement of operated plant leased from others.
34.2230 Leased operated plant retired.
34.2299 Other provisions for future settlements.

Deferred Credits

- 34.2310 Unamortized premium on debt.
34.2315 Advances for construction.
34.2320 Credit balances in clearing accounts.
34.2399 Other deferred credits.

Capital Stock

- 34.2410 Capital stock issued.
34.2415 Capital stock reacquired.
34.2420 Capital stock subscribed—Unissued.
34.2425 Obligations for stock conversion.

Capital Surplus

- 34.2510 Premiums and assessments on capital stock.
34.2515 Contributions of plant.
34.2599 Other capital surplus.

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Earned Surplus	
Sec.	
34.2610	Contractual reserves.
34.2615	Reserve against impairment of stated capital.
34.2620	Miscellaneous reserves.
34.2699	Unappropriated earned surplus.

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

34.1-1	Purpose and content of operated plant accounts.
34.1-2	Accounting for plant acquisitions.
34.1-3	Components of construction cost.
34.1-4	Overhead construction costs.
34.1-5	Improvements and replacements of operated plant leased from others.
34.1-6	Operated plant retired.
34.1-7	Transfers of plant.
34.1-8	Continuous property-record required.
34.1-99	Contemplated form of plant statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Real Estate

34.11	Land.
34.12	Land improvements.
34.13	Drainage, sewerage, gas, and water systems.
34.14	Buildings.

Fixed and Land Station Aerial Systems and Lines

34.21	Towers and masts.
34.22	Antenna systems.
34.26	Control lines.
34.27	Power-supply lines.

Fixed and Land Station Transmission Equipment

34.31	Electron-tube transmitter equipment.
34.32	Other transmitter equipment.
34.33	Cooling apparatus.
34.34	Receiver equipment.
34.36	Power supply and distribution equipment.
34.40	Control apparatus.
34.41	Equipment on customers' premises.

Furniture and Office Equipment

34.51	Furniture and office equipment.
Mobile Station Equipment	
34.61	Ship station equipment.
34.69	Other mobile station equipment.

Work Equipment

34.71	Vehicles and draft animals.
34.72	Shop equipment, tools, and implements.
34.73	Store and warehouse equipment.

Intangibles

34.81	Organization.
34.82	Franchises.
34.83	Patent rights.
34.84	Leaseholds.
34.89	Other intangibles.

Other Plant Accounts

34.91	Plant acquired — Undistributed charges.
34.92	Plant sold—Undistributed credits.

INCOME AND EARNED SURPLUS ACCOUNTS

INSTRUCTIONS

34.30-1	Purpose of income accounts.
34.30-2	Income from debt-redemption and other funds.
34.30-3	Rents includible in income accounts.
34.30-4	Disposition of balances in income accounts.
34.30-5	Purpose of earned surplus accounts.
34.30-6	Disposition of balances in earned surplus accounts.
34.30-99	Contemplated form of income and earned surplus statement.

No. 250—3

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

INCOME ACCOUNTS

Ordinary Income—Communication

Sec.	
34.3000	Operating revenues.
(Operating revenue deductions)	
34.4000	Operating expenses.
34.4910	Depreciation.
34.4915	Amortization—Intangible operated plant.
34.4920	Amortization of plant acquisition adjustments.
34.4925	Extraordinary plant losses.
34.4931	Social security taxes—Operating.
34.4932	Other taxes—Operating.
34.4935	Uncollectible revenues.
34.4940	Rent for lease of operated plant.
34.4945	Telephone, wire-telegraph, and ocean-cable operating revenue deductions.
34.4950	Revenue-contract payments.
34.4999	Other operating revenue deductions.

(Other communication income)

34.5010	Income from operated plant leased to others.
34.5015	Income from telephone, wire-telegraph, and ocean-cable plant leased to others.
34.5020	Profit from general services, licenses, and royalties.
34.5089	Income from foreign operations.
34.5099	Other communication income.

Ordinary Income—Noncommunication

34.5110	Income from miscellaneous physical property.
34.5115	Income from merchandising, jobbing, and contracting.
34.5120	Dividend income.
34.5125	Interest income.
34.5135	Income from debt-redemption and other funds.
34.5140	Gain or loss on foreign currency exchange.
34.5199	Other noncommunication income.

Deductions from Ordinary Income

34.5210	Interest on long-term debt.
34.5215	Interest on indebtedness to affiliates.
34.5220	Amortization of debt discount.
34.5225	Interest charged to construction—Cr.
34.5230	Amortization of debt premium—Cr.
34.5235	Other interest charges.
34.5240	Taxes assumed on interest.
34.5245	Amortization of debt expense.
34.5250	Miscellaneous taxes.
34.5255	Amortization of plant acquisition adjustments.
34.5260	Revenue-contract payments.
34.5299	Other deductions from ordinary income.

Extraordinary Income—Credits

34.6110	Delayed income credits.
34.6199	Other extraordinary income credits.

Extraordinary Income—Charges

34.6210	Delayed income charges.
34.6299	Other extraordinary income charges.

Deductions from Net Income

34.7010	Taxes on net income.
34.7099	Other deductions from net income.

EARNED SURPLUS ACCOUNTS

Earned Surplus—Credits

34.8110	Balance transferred from income accounts.
34.8199	Miscellaneous credits to earned surplus.

Earned Surplus—Charges

Sec.	
34.8299	Miscellaneous charges to earned surplus.
34.8310	Contractual appropriations of earned surplus.
34.8315	Earned surplus employed in reacquisition of capital stock.
34.8320	Miscellaneous appropriations of earned surplus.
34.8399	Dividend appropriations of earned surplus.

OPERATING REVENUE ACCOUNTS

INSTRUCTIONS

34.31-1	Purpose of operating revenue accounts.
34.31-2	Basis of credits to operating revenue accounts.
34.31-3	Divisions of operating revenues.
34.31-4	Services furnished without direct charge.
34.31-99	Contemplated form of operating revenue statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Domestic Message Revenue

34.3100	Domestic message revenue.
34.3110	Public message revenue.
34.3115	U. S. government message revenue.
34.3120	Other governments message revenue.
34.3125	Press message revenue.
34.3160	Domestic transmission of transoceanic and marine messages.
34.3199	Other message revenue.

Transoceanic Message Revenue

34.3200	Transoceanic message revenue.
34.3210	Public message revenue.
34.3215	U. S. government message revenue.
34.3220	Other governments message revenue.
34.3225	Press message revenue.
34.3230	Other commuted-rate message revenue.
34.3299	Other message revenue.

Marine Message Revenue

34.3300	Marine message revenue.
34.3310	Public message revenue.
34.3315	U. S. government message revenue.
34.3320	Other governments message revenue.
34.3325	Press message revenue.
34.3330	Other commuted-rate message revenue.
34.3370	Ship station revenue.
34.3399	Other message revenue.

Other Transmission Revenue

34.3700	Other transmission revenue.
34.3705	Scheduled transmission service revenue.
34.3725	Broadcast-program service revenue.
34.3735	News (CND) service revenue.
34.3745	Facsimile or photogram service revenue.
34.3755	Telephone service revenue.
34.3799	Miscellaneous transmission service revenue.

Nontransmission Revenue

34.3800	Nontransmission revenue.
34.3805	Revenue from furnishing and servicing stations.
34.3810	Leased-circuit revenue.
34.3820	Other leased-plant revenue.
34.3825	Money-order fees.
34.3899	Miscellaneous nontransmission revenue.

Other Telecommunication Revenue

34.3910	Telephone revenue—Telephone systems.
34.3928	Wire-telegraph and ocean-cable revenue—Wire-telegraph systems.

OPERATING EXPENSE ACCOUNTS

INSTRUCTIONS

- Sec.
34.41-1 Purpose of operating expense accounts.
34.41-2 Operating expenses applicable to leased plant.
34.41-3 Direct allocation of operating expenses to stations and city offices.
34.41-4 Expenses of holding or servicing departments.
34.41-5 Maintenance expenses.
34.41-6 Conducting-operations expenses.
34.41-7 Accounting for electron tubes.
34.41-99 Contemplated form of operating expense statement.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Maintenance Expenses

- 34.4110 Supervision of maintenance.
34.4115 Maintenance of real estate.
34.4120 Maintenance of fixed and land station aerial systems and lines.
34.4125 Maintenance of fixed and land station transmission equipment.
34.4130 Maintenance of furniture and office equipment.
34.4132 Electron-tube replacements.
34.4135 Maintenance of mobile station equipment.
34.4198 Maintenance-expense equalization.
34.4199 Other maintenance expenses.

Conducting-Operations Expenses

- 34.4210 Supervision of operations.
34.4215 Operators' wages.
34.4216 Wages of station attendants.
34.4222 Wages of operating-office clerks.
34.4225 Operating power.
34.4230 Traffic damages.
34.4235 Traffic-damage expense.
34.4240 Telephone service—Message transmission.
34.4243 Rent for operating offices.
34.4245 Rent for other facilities.
34.4250 Advertising.
34.4255 Soliciting.
34.4260 Obtaining stock and commercial news.
34.4270 Commissions—Dr.
34.4275 Commissions—Cr.
34.4281 Messengers' wages.
34.4283 Messengers' uniform expense.
34.4289 Other messenger service expense.
34.4290 Other employees' wages.
34.4295 Supplies—Operating offices.
34.4299 Other conducting-operations expenses.

Administrative Expenses

- 34.4310 Salaries of general officers and executives.
34.4315 Expenses of general officers and executives.
34.4320 Salaries of general office employees.
34.4325 Expenses of general office employees.
34.4399 Other administrative expenses.

General Expenses

- 34.4410 Legal services.
34.4415 General services, licenses, and royalties—Dr.
34.4420 General services, licenses, and royalties—Cr.
34.4425 Insurance.
34.4430 Injuries and damages.
34.4435 Relief and pensions.
34.4445 Rest and lunch room expenses.
34.4450 Rent for offices.
34.4455 Other rents.
34.4460 Franchise requirements—Dr.
34.4465 Franchise requirements—Cr.
34.4470 Supplies.
34.4475 Training employees.
34.4480 House service.
34.4499 Other general expenses.

CLEARING ACCOUNTS

INSTRUCTIONS

- Sec.
34.90-1 Purpose of clearing accounts.
34.90-2 Disposition of balances in clearing accounts.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal is the account number.

- 34.9010 Research and development—Undistributed.
34.9015 Vehicle expense—Undistributed.
34.9020 Shop, tool, and implement expense—Undistributed.
34.9025 Plant-supervision expense—Undistributed.
34.9030 Supply expense—Undistributed.
34.9035 House-service expense—Undistributed.

RETIREMENT UNITS

- 34.1-6-1 List of units to be used in connection with the accounting provided in § 34.1-6.

AUTHORITY: §§ 34.01-1 to 34.1-6-1 issued under sec. 4 (1), 48 Stat. 1066; 47 U. S. C. 154 (1). Interprets or applies sec. 220, 48 Stat. 1078, 47 U. S. C. 220.

NOTE: In §§ 34.11 through 34.92, 34.1000 through 34.2699, 34.3000 through 34.3928, 34.4000 through 34.4999, 34.5010 through 34.5299, 34.6110 through 34.6299, 34.7010 through 34.7099, 34.8110 through 34.8399, 34.9010 through 34.9035, the numbers to the right of the decimal point correspond to the established account numbers in the accounts and records maintained by the carriers. Cross references to accounts are made by citing the account numbers, e. g., account 1000 instead of the corresponding section number (§ 34.1000).

APPLICABILITY

§ 34.01-1 *Carriers subject to this system of accounts.* This system of accounts applies to carriers engaged primarily in furnishing radiotelegraph service. (See also § 34.03-8.)

§ 34.01-2 *Classification of carriers.* (a) For the purpose of applying this system of accounts radiotelegraph carriers are divided into two classes, as follows:

Class A. Carriers having average annual operating revenues exceeding \$100,000. Such carriers shall keep all of the accounts that are applicable to their affairs.

Class B. Carriers having average annual operating revenues exceeding \$50,000, but not exceeding \$100,000. Such carriers shall keep all of the accounts that are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the condensed primary classifications provided in §§ 34.05-1 and 34.05-2.

(b) No uniform system of accounts has been prescribed for carriers having average annual operating revenues not exceeding \$50,000. However, such carriers may keep the accounts prescribed in this system of accounts.

§ 34.01-3 *Determination of class.* (a) The class to which any carrier belongs shall be determined by the average of its annual operating revenues for the 3 years immediately preceding the effective date of this system of accounts. If at the close of any subsequent calendar year the average of its annual operating revenues for the latest 3 years is greater than the amount applicable to the class in which the carrier has been previously

includible, the account applicable to the higher class shall be adopted.

(b) Carriers not engaged in furnishing radiotelegraph service over the 3-year period immediately preceding the effective date of this system of accounts shall estimate the amount of their annual operating revenues and keep the accounts applicable to carriers having actual revenues in the amount estimated.

DEFINITIONS

§ 34.02-1 *Restrictive use of certain terms.* When used in this system of accounts, unless otherwise indicated:

"Accounts" or "these accounts" means the accounts prescribed in "this system of accounts."

"Acquisition cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property, including the preliminary expenses incurred in connection with the acquisition.

"Act" or "the Act" means the Communications Act of 1934 as amended.

"Actually issued," as applied to securities issued or assumed by the "carrier," means (1) those securities that have been sold to bona-fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property), (2) those that have been issued in accordance with contractual requirements directly to trustees of debt-redemption and other funds, and (3) those that have been issued in payments of dividends on stock.

"Actually outstanding," as applied to securities issued or assumed by the "carrier," means those securities that have been "actually issued" and are neither retired nor held by or for the "carrier"; provided, however, that securities held by trustees of debt-redemption and other funds shall be regarded and treated as actually outstanding.

"Affiliate" means (and "affiliated" relates to) a "person" that, directly, or indirectly through one or more intermediaries, "controls," is "controlled by," or is "under common control with," the "carrier."

"Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period.

"Book amount," as applied to securities issued or assumed by the "carrier," means (1) the amount duly authorized for inclusion in account 2410, "Capital stock issued," for stock having no par value, and (2) the "face amount" of all other securities.

"Book cost" means the amount at which property is recorded in an account without the deduction of amounts in related or other accounts.

"Carrier" means the accounting carrier.

"Class," as applied to depreciable plant, means that portion of the total plant that is represented by a single primary plant account.

"Commission" means the Federal Communications Commission.

"Communication" or "communication service" means the "transmission" of writing, signs, signals, pictures, and sounds of all kinds, by the aid of wire,

cable, or radio, between the points of origin and reception of such "transmission," including all instrumentalities, facilities, apparatus, and services (among other things, the receipt, forwarding, and delivery of communications) incidental to such "transmission."

"Continental communication" means "communication" when both the point of origin and the point of destination are located within the "continental United States."

"Continental terminus" means a "fixed station" or a "land station" located within the "continental United States" that is used for direct communication with stations located without the "continental United States."

"Continental transmission" means "transmission" of "communication" within the "continental United States."

"Continental United States" means the several States of the United States, and the District of Columbia.

"Contingent asset" means an item representing a possible source of value to the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liability" means an item representing a possible source of obligation of the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Control" means (and the terms "controlling," "controlled by," and "under common control with" relate to) the direct or indirect possession of the power (including the veto power) to direct or to cause the direction of the management, important acts, and policies of a "person," whether such power is exercised through one or more intermediary "persons," or alone, or in conjunction with, or pursuant to an agreement with, one or more other "persons," and whether such power is established through a majority or a minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliates, contract, or any other direct or indirect means. "Control" shall not be viewed as altered by a new status of any "person" that may be occasioned by proceedings in bankruptcy or by any situation of receivership, trusteeship, or fiduciary relationship resulting from proceedings of a like nature.

"Cost," as applied to plant, means the "original cost" of plant acquired from predecessors as substantially complete operating systems or operating units and the "acquisition cost" of all other plant. Except as applied to plant, "cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property or services.

"Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing plant, including the cost of transportation and handling incidental thereto.

"Date of installation," as applied to plant acquired from predecessors as substantially complete operating systems or operating units, means the date at which such plant was first dedicated to public use. As applied to all other plants, the term means the date at which such plant

was placed in "communication service" by the "carrier."

"Date of retirement" means the date at which plant is retired from "communication service."

"Debt expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items" means items relating to transactions that occurred during a prior calendar year and require further accounting treatment for a true statement. It includes adjustments of errors in the operating-revenue, operating-expense, and other income accounts for prior years.

"Depreciation," as applied to depreciable "operated plant," means the loss in "service value" not restored by current maintenance, incurred in connection with the consumption or prospective retirement of such plant in the course of service from causes known to be in current operation against which the "carrier" is not protected by insurance and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, inadequacy, changes in the art, changes in demand, and requirements of public authorities.

"Discount," as applied to securities issued or assumed by the "carrier," means the excess of (1) the "book amount" of the securities over (2) the then current money value of the consideration received from their sale less the amount included therein for dividends or for interest accrued.

"Domestic message revenue" means revenue from the "transmission" of messages between points within the area comprising the "Continental United States," Alaska, Canada, Saint Pierre-Miquelon, and Mexico. It includes revenue from both "fixed transmission" and "mobile transmission" of messages within such area.

"Face amount," as applied to securities issued or assumed by the "carrier," means the amount of principal set forth in the documents themselves.

"Fixed communication" means "communication" when both the point of origin and the point of destination are "fixed stations."

"Fixed communication revenue" means revenue derived from "fixed transmission."

"Fixed station" means a "station" not capable of being moved that is used for communication with one or more other "fixed stations."

"Fixed transmission" means "transmission" of "fixed communication."

"Foreign communication" means "communication" when either the point of origin or the point of destination is located without the "United States."

"Foreign communication revenue" means revenue derived from "foreign transmission."

"Foreign transmission" means "transmission" among foreign stations and between foreign stations and the "continental terminus" of "foreign communication."

"Includible" means properly includible under the provisions of "this system of accounts."

"Insular communication" means "communication" between the insular territories or possessions of the United States (excluding the Canal Zone), and the "continental United States," or among the insular territories or possessions of the United States (excluding the Canal Zone).

"Insular transmission" means "transmission" between insular stations and the "continental terminus" of "insular communication" or among insular stations.

"Investment advances" means advances, represented by notes or by book accounts only, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or evidences of long-term debt, or shall not be subject to current settlement. Advances with respect to which amounts have been included in the current accounts for more than 1 year will be considered not subject to current settlement.

"Land station" means a "station" not capable of being moved that is used for communication with "mobile stations."

"Marine communication" means "communication" when either the point of origin or the point of destination is a "ship station."

"Marine transmission" means "transmission" among "ship stations" or between "ship stations" and "land stations."

"Matured" means due and payable (or receivable) as at a date not later than the first day following the date of the balance sheet.

"Minor items," as applied to plant, means those items of depreciable "operated plant" not designated as "retirement units" in § 34.1-6-1.

"Mobile communication" means "communication" when either the point of origin or the point of destination is a "mobile station."

"Mobile communication revenue" means revenue derived from "mobile transmission."

"Mobile station" means a "station" capable of being moved and which ordinarily does move.

"Mobile transmission" means "transmission" of "mobile communication." It includes transmission of such communication between stations that do not communicate directly with "mobile stations."

"Net book cost," as applied to a specific portion of plant, means the "book cost" of that portion minus that part of the related depreciation (or amortization) allowance account that is assignable to that portion of the plant.

"Net salvage value" means the "salvage value" of plant retired after deduct-

ing the "cost of removal" incidental to its retirement.

"Nominally issued," as applied to securities issued or assumed by the "carrier," means those securities that have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged or otherwise placed in some special fund of the "carrier," but have not been sold or issued directly to trustees of debt-redemption or other funds.

"Nominally outstanding," as applied to securities issued or assumed by the "carrier," means those "actually issued" securities that have been reacquired by or for the "carrier" under circumstances that prohibit considering them retired; provided, however, that securities held by trustees of debt-redemption or other funds shall be regarded and treated as "actually outstanding."

"Operated plant" means physical plant used in "radiotelegraph service" together with associated intangible items.

"Original cost," as applied to plant, means the actual money cost of (or the then current money value of any consideration other than money given for) property at the time it was first dedicated to the public use, whether by the "carrier" or by any other "person."

"Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organized group, or any receiver or trustee.

"Plant retired" means plant that has been removed, sold, abandoned, destroyed, or for any cause withdrawn from "communication service."

"Premium," as applied to securities issued or assumed by the "carrier," means the excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for dividends or interest accrued, over (2) their "book amount."

"Primary account" means (1) any account the name or title of which appears in the table of contents of "this system of accounts" or (2) any additional clearing account or experimental account optionally maintained pursuant to the provisions of § 34.03-5.

"Radiotelegraph plant" means plant used or useful in furnishing "radiotelegraph service."

"Radiotelegraph service" means "communication service" furnished by means of radiotelegraph, including incidental services so intimately related to such service as to make impracticable the determination of the extent to which plant, income, revenue, or expenses are related to such incidental services.

"Replacement" means the construction or installation of plant in place of "plant retired."

"Retirement." (See "plant retired.")

"Retirement units" means the items of depreciable "operated plant" listed in § 34.1-6-1 of "this system of accounts."

"Salvage value" means the amount received for "plant retired," if sold, less any expenses incurred in connection with such sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is charge-

able to account 1795, "Material and supplies," or other appropriate account.

"Service life" means the period between the "date of installation" of plant and the "date of retirement" thereof.

"Service value" means the difference between the "cost" of plant and its "net salvage value."

"Ship station" means a "station" located on a ship, vessel, or other water craft (except aircraft) used or capable of being used as a means of transportation on water, whether or not it is actually afloat.

"Station" means a complete transmitting or receiving system or operating unit at a particular location, used in "radiotelegraph service."

"Stock expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock, including fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

"Straight-line method," as applied to depreciation accounting, means the plan under which the "service value" of depreciable "operated plant" is charged to depreciation, clearing, and other accounts and credited to the depreciation-allowance account through equal charges (as nearly as may be) during its "service life."

"Subclass," as applied to depreciable plant, means that portion of a "class" of plant, preferably corresponding to one or more "subprimary" plant accounts, to the cost of which a specific percentage rate of depreciation is applied in accounting for "depreciation," which percentage rate differs from those that are applied with respect to other "subclasses" of the same "class" of such plant.

"Subprimary account" means any account, required or permitted by "this system of accounts," the balance in which, if combined with the balance in other such accounts subprimary to the same account, will produce the balance in that "primary class."

"System of accounts" or "this system of accounts" means the rules embodied in this part.

"Transmission" means the movement of "communication." It includes the receiving, forwarding, and delivery of communications. "Transoceanic message revenue" means revenue from the "transmission" of messages between points outside the area comprising the "Continental United States," Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points (or "Continental terminus"). It includes revenue from both "foreign transmission" and "insular transmission" of messages between such points.

"United States" means the several States and Territories, the District of Columbia, and the possessions of the United States, but does not include the Canal Zone.

INSTRUCTIONS—GENERAL

§ 34.03-1 *Classes of records.* The records to be maintained in accordance with the provisions of this system of accounts are divided into two classes: viz., (a) books of account, containing the primary and subprimary accounts defined in § 34.02-1, and (b) supporting records. (See also §§ 34.03-2 and 34.03-3.)

NOTE: The periods for which these records are to be retained are set forth in Part 42, "Rules governing the preservation of records," under this chapter.

§ 34.03-2 *Basis of entries in books of account.* (a) Amounts entered in the books of account shall be in denominations of United States currency. When subsidiary records are kept in which entries are made in foreign currencies, the conversion to United States currency for entry in the books of account shall be effected as prescribed in § 34.03-16.

(b) The books of account shall be so maintained that when the full information is not recorded therein the entries shall contain sufficient reference to the supporting records to permit ready identification.

(c) Each carrier shall keep its books of account on a calendar-month basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, will be entered in the books. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date as will not interfere with the preparation and filing of annual reports as required by section 219 of the act.

(d) The books of account shall be maintained independently for each carrier and shall not be combined with those of any other person.

§ 34.03-3 *Records supporting accounting entries.* Supporting records shall be maintained in which shall be shown the full details concerning any entry in the books of account for which the details are not shown in the accounts themselves. The supporting records referred to herein include, in addition to accounting records in a limited technical sense, all records such as minute books, stock books, reports, correspondence, memoranda, and any and all other records that would be useful in developing the history of or the facts regarding any transaction. The detail records shall be so filed as to be readily accessible for examination by representatives of this Commission.

§ 34.03-4 *Transactions with affiliates.* Each carrier shall so maintain its accounts and records as to be able to furnish accurately and expeditiously a statement of all transactions with affiliates. This statement shall show the general nature of the transactions, the amounts involved therein, and the

amounts included in each account prescribed herein with respect to such transactions.

§ 34.03-5 *Summary accounts, subaccounts, additional clearing accounts, and temporary or experimental accounts.* (a) Accounts that are clearly summaries of other accounts or subaccounts provided for herein are not required to be kept in the carrier's books of account. However, such accounts may be opened in the general books for control purposes.

(b) All accounts kept shall conform in number and title to those prescribed herein, except that:

(1) Carriers may subdivide any of the accounts, provided such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions shall refer by number or title to the account or accounts of which they are subdivisions.

(2) Clearing accounts (in addition to those prescribed) and temporary or experimental accounts may be kept, provided such additional accounts do not impair the integrity of the prescribed accounts.

(3) Within 90 days from the effective date of this system of accounts, the carrier shall notify this Commission of the nature and purpose of (i) the subdivisions of the prescribed accounts, (ii) the temporary accounts, (iii) experimental accounts, and (iv) additional clearing accounts, opened under authority of this section. The carrier shall continue to keep the Commission informed of all additional accounts (or subaccounts) of these types opened after such effective date.

NOTE: Only one item need be reported for a group of subaccounts that differ from each other only with respect to geographical location or type of material.

§ 34.03-6 *Transferring balances from accounts previously maintained.* As at the effective date of this system of accounts, the several accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained by the carrier. The carrier is authorized to make such subdivisions, reclassifications, or consolidations of these balances as are necessary to meet the requirements of this system of accounts. Entries that require the determination of cost by estimates shall be supported by records showing in complete detail the methods used in arriving at or computing the amounts thereof. Copies of journal entries recorded to effect the transfers, and a detailed statement of the methods used in arriving at or computing estimated costs, shall be filed with this Commission within 90 days from the dates of the entries.

§ 34.03-7 *Charges to be just and reasonable.* All charges to the accounts prescribed in this system of accounts for plant, operating revenues and operating expenses, and other operating revenue deductions, shall be just and reasonable, and any payments by the carrier in excess of such just and reasonable charges shall be included in account 5299, "Other deductions from ordinary income."

§ 34.03-8 *Entries involving telephone, wire-telegraph, or ocean-cable service.*

(a) When radiotelegraph carriers are engaged also in furnishing telephone, wire-telegraph, or ocean-cable services through the utilization of distinctive portions of their facilities devoted exclusively or primarily to such services, they shall maintain their accounts for plant, operating revenues, operating expenses, and other items applicable to each such service in conformity with the respective effective rules governing carriers engaged primarily in furnishing such service.

(b) The cost of distinctive telephone, wire-telegraph, or ocean-cable plant shall be reported in account 1530, "Telephone, wire-telegraph, and ocean-cable plant." The amounts in the allowance accounts for depreciation and amortization of such plant shall be reported in account 1535, "Allowance for depreciation and amortization—Telephone, wire-telegraph, and ocean-cable plant." The amount of revenue derived from the operation of such plant shall be reported in account 3910, "Telephone revenue—Telephone systems," or account 3928, "Wire-telegraph and ocean-cable revenue—Wire systems," as appropriate. The amounts of operating revenue deductions applicable to the operation of such plant shall be reported in account 4945, "Telephone, wire-telegraph, and ocean-cable operating revenue deductions."

(c) When the major use of a particular portion of the carrier's plant is in radiotelegraph service, but the same facilities are used also in other types of communication service in a manner preventing the distinction of the physical elements associable with such services, the distribution of the operating revenues, operating expenses, and other deductions from operating revenues among the several classes of communication service where directly applicable shall be accomplished by subdivisions of the prescribed accounts, except that revenues derived from telephone service rendered through the use of such plant shall be included in account 3755 "Telephone service revenues." (See also § 34.03-17.)

§ 34.03-9 *Sequence of accounts not indicative of reports required.* The order in which the accounts are presented in this system of accounts is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to this Commission. The sequence contemplated (until further notice) will be as indicated in the respective forms which immediately precede the texts for the several groups of accounts.

§ 34.03-10 *Research and development.*

(a) The cost of preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of contemplated major projects shall be charged to account 1935, "Preliminary survey and investigation charges," and subsequently cleared therefrom in accordance with the text of that account.

(b) The cost of research and development work such as laboratory expenses and other research items that can not be assigned to specific construction proj-

ects shall be charged to account 9010, "Research and development—Undistributed," and subsequently cleared therefrom in accordance with the text of that account.

§ 34.03-11 *Interpretation of the prescribed accounting.* Responsible accounting officials of the carrier shall submit all questions involving interpretation of the prescribed accounting to this Commission for consideration and decision.

§ 34.03-12 *Interpretation of item lists.* The lists of items following the texts of the several accounts are for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all the items includible in the several accounts, but merely representative of them. Inasmuch as the same item frequently appears in more than one list, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates its inclusion. The proper entry in each instance must be determined by the text of the account.

§ 34.03-13 *Delayed items.* Delayed items shall be charged or credited to the same accounts that would have been charged or credited if the items had not been delayed; provided that, when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts for that year, the carrier shall charge or credit the amount to account 6210, "Delayed income charges," or account 6110, "Delayed income credits," as appropriate.

§ 34.03-14 *Unaudited items.* (a) When, at the end of a calendar year or at such other time as a financial statement may be required by this Commission, it is known that a transaction has occurred which affects these accounts but the amount involved in the transaction and its effect upon the accounts cannot be accurately determined, the amount shall be estimated and such estimated amount included in the appropriate accounts. The carrier is not required to anticipate minor items that would not appreciably affect these accounts.

(b) If, during the interval between the date of initial estimate of the item and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment to cover such difference shall be made in the accounts for the month in which the difference is determined.

(c) When the item is audited, the necessary adjustment shall be made in the appropriate account for the month in which the item is audited.

(d) Any substantial difference determined in accordance with paragraph (b) or (c) of this section shall be accounted for as provided in § 34.03-13 or § 34.03-15 as appropriate.

§ 34.03-15 *Unusual items.* When the amount of any unusual item includible in an operating revenue, operating expense, or other income account for a single month is relatively so large that

its inclusion in the accounts for that month would seriously distort those accounts, it may be included in account 1999, "Other deferred charges," or account 2399, "Other deferred credits," as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the calendar year.

§ 34.03-16 Transactions involving foreign currency. (a) Amounts to be entered in the accounts of this system that are originally stated in terms of foreign currency or that arise from contracts stated in terms of such foreign currency shall be recorded at the rate of exchange effective at the date as of which the original transaction occurs. (For the purposes of this system of accounts a contractual common denominator, such as the gold franc, shall be viewed as a unit of foreign currency, irrespective of the facts regarding actual monetary circulation.)

(b) Gains or losses due to the difference in the rates of exchange developing between the date of the original transaction referred to in paragraph (a) of this section and the date of realization, liquidation, or settlement in cash or its equivalent, shall be credited or charged, as appropriate, to account 5140, "Gain or loss on foreign currency exchange." Such differences shall be recorded by stages in the course of monthly restatements of current assets and current liabilities on basis of the latest applicable rates of exchange. Other balance sheet accounts shall not reflect changes, prior to cash or equivalent settlement, in the rate of exchange.

§ 34.03-17 Apportioning amounts among accounts. (a) When it is necessary to apportion amounts among accounts or subaccounts, the carrier shall be prepared to describe the basis of such apportionment.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense shall be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) The pay and expenses of officers or employees engaged in activities of a varying nature, such as a supervising engineer who may be assigned to construction, maintenance, or operation work, shall be included in the appropriate account upon basis of the actual time engaged in the respective classes of work, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon basis of a study of the time actually engaged during a representative period.

§ 34.03-18 Transactions involving joint operations. (a) In accounting for operating expenses incurred under arrangements for apportionment between persons concerned, the carrier shall distribute its portion of the entire expense to the appropriate operating expense accounts.

(b) Any amounts included in the settlement representing return on invest-

ment in the plant used under joint-operation arrangements shall be charged or credited, as the case may be, to the appropriate rent-expense account or to the appropriate rent-revenue account.

(c) The creditor shall show the distribution of the charges in its bills, and such distribution shall be adhered to in the accounts of the debtor.

INSTRUCTIONS—DEPRECIATION ACCOUNTING

§ 34.04-1 Classes of depreciable operated plant. The classes of depreciable operated plant and the accounts in which the cost of such plant is included are as follows:

- Land improvements (account 12).
- Drainage, sewerage, gas, and water systems (account 13).
- Buildings (account 14).
- Towers and masts (account 21).
- Antenna systems (account 22).
- Control lines (account 23).
- Power-supply lines (account 27).
- Electron-tube transmitter equipment (account 31).
- Other transmitter equipment (account 32).
- Cooling apparatus (account 33).
- Receiver equipment (account 34).
- Power supply and distribution equipment (account 36).
- Control apparatus (account 40).
- Equipment on customers' premises (account 41).
- Furniture and office equipment (account 51).
- Ship station equipment (account 61).
- Other mobile station equipment (account 69).
- Vehicles and draft animals (account 71).
- Shop equipment, tools, and implements (account 72).
- Store and warehouse equipment (account 73).

§ 34.04-2 Computation of depreciation rates. (a) Depreciation charges shall be computed by applying with respect to each month's accounts one-twelfth of the annual percentage rate considered applicable to the cost of each class or subclass of depreciable plant or to the cost of that portion of such plant with respect to which the estimated service value has not been completely accounted for through the aggregate of prior current allowances for depreciation. These percentage rates shall be based upon the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions, but shall not include any allowance for loss in service value of property expected to be acquired in the future. These percentage rates shall be such that the loss in service value of plant, except losses excluded under the definition of depreciation, shall be accounted for under the straight-line method of depreciation accounting.

(b) The carrier shall keep such records of plant and plant retirements as will reflect the service life of plant that has been retired or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods and also such records as will reflect the percentage of net salvage value

for plant retired from each class of depreciable plant.

(c) When with respect to any class or subclass of plant the factors causing depreciation (and consequently occasioning the amount of the current net-book cost and the rate of depreciation previously applied in the accounts) commence at any time (including the accounting period—year or month—immediately preceding retirement) to operate at a new rate, the fact shall be recognized in the accounts by applying (actually or in effect) such a new percentage rate to the cost of that plant or portion thereof as will dispose of the difference between its net book cost and its estimated net salvage value during the period (known or estimated) of its remaining life.

§ 34.04-3 Depreciation charges. (a) The current depreciation charges applicable to operated plant the cost of which is includible in account 1000, "Operated plant in carrier's service," and account 1200, "Improvements and replacements of operated plant leased from others," shall be recorded monthly in account 4910, "Depreciation," or in the clearing accounts, as appropriate, and corresponding credits shall be recorded in account 1515, "Allowance for depreciation—Radiotelegraph plant." (See also § 34.1-5.)

(b) When, under the terms of a lease, the carrier, as lessor, is required to replace or to restore the condition of operated plant the cost of which is includible in account 1100, "Operated plant leased to others," the current depreciation charges shall be recorded monthly in account 5010, "Income from operated plant leased to others," and corresponding credits shall be recorded in account 1515, "Allowance for depreciation—Radiotelegraph plant." (See also § 34.30-3.)

(c) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of operated plant leased from others, depreciation charges with respect to such original leased plant shall be computed and applied as provided in § 34.1-5.

(d) Depreciation charges initially accounted for by the lessor shall be reported to and accounted for by the lessee as provided in paragraph (c) of § 34.30-3.

§ 34.04-4 Plant retired for causes not known to be in current operation. (a) The accounting for operated plant retired for causes not known to be in current operation shall be as provided in paragraph (a) of § 34.1-6 and account 4925, "Extraordinary plant losses."

(b) If the cause of the retirement is a loss covered by insurance for which provision has been made in account 2215, "Provision for self-carried insurance," the loss shall be charged to that account to the extent of the amount so provided. If the loss is not covered by insurance the carrier may, with the approval of this Commission, credit account 1515, "Allowance for depreciation—Radiotelegraph plant," and charge account 1910, "Extraordinary maintenance, depreciation, and retirements," with the unprovided-for loss in service value, and distribute it from the latter account to account 4925, "Extraordinary plant

losses," over such period as this Commission may approve. The carrier's application to this Commission for permission to charge account 1910, shall give full particulars concerning the plant retired, the unprovided-for service loss, and the period over which, in its judgment, such charges should be distributed.

INSTRUCTIONS FOR CLASS B CARRIERS

§ 34.05-1 Primary operating revenue accounts for class B carriers. Class B carriers shall keep all the operating revenue accounts prescribed for class A carriers that are applicable to their affairs, except that they may keep the following account in lieu of the nontransmission revenue accounts:

3800 Nontransmission revenues.

This account shall include the carrier's portion of revenues from radiotelegraph operations other than transmission. It shall include all the operating revenues includible by class A carriers in accounts 3805 to 3899, inclusive.

§ 34.05-2 Primary operating expense accounts for class B carriers. Class B carriers shall keep all the operating expense accounts prescribed for class A carriers that are applicable to their affairs, except that certain accounts may be combined as follows:

4280 Messenger service expense.

This account shall include the amount of all expenses incurred in furnishing messenger service. It includes all expenses includible by class A carriers in accounts 4281 to 4289, inclusive.

4299 Other conducting-operations expenses.

This account shall include the amount of expenses incurred in conducting operations not provided for elsewhere. It includes all expenses includible by class A carriers in accounts 4210, 4225, 4235, 4240, 4250, 4255, 4260, 4270, 4275, and 4299.

4300 Administrative expenses.

This account shall include the administrative expenses of the carrier. It includes all expenses includible by class A carriers in accounts 4310 to 4399, inclusive.

4400 General expenses.

This account shall include the general expenses of the carrier. It includes all expenses includible by class A carriers in accounts 4410 to 4499, inclusive.

REPORTING REQUIREMENTS

§ 34.06-1 Provisions that require specific approval of Commission before accounting is performed. (a) Specific authority shall be obtained from this Commission before entering charges representing unprovided-for loss in service value in account 1910, "Extraordinary maintenance, depreciation, and retirements." (See par. (b) of § 34.04-4.)

(b) A statement indicating the plan of accounting proposed to record the exchange of securities issued or assumed by the carrier shall be submitted to this Commission for consideration and approval prior to the recording of journal entries applicable thereto. (See § 34.10-8.)

(c) A statement indicating the plan of accounting proposed to record the issuance of no-par stock, the appropriation of surplus for transfer to no-par capital stock account, the reduction of capital surplus through the use of the no-par capital stock account, or the reduction of account 2410, "Capital stock issued," through the creation of surplus or the reduction of book value of assets, shall be submitted to this Commission for consideration and approval prior to the recording of journal entries applicable thereto. (See par. (c) of § 34.10-9.)

(d) Specific authority shall be obtained from the Commission if, in connection with the refinancing of an issue or series of bonds or other long-term debt, the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of its redemption. (See par. (f) of § 34.10-14.)

(e) Specific authority shall be obtained from this Commission before disposing of amounts entered in account 1510, "Plant acquisition adjustments." (See par. (e) of that account.)

(f) Carriers desiring to use accounts 1599, "Foreign investment in communication plant," and 5089, "Income from foreign operations," shall advise this Commission at least 60 days before the effective date of this system of accounts.

(g) Carriers desiring to change the optional procedure adopted for recording foreign investments and foreign income shall advise this Commission at least 90 days before the proposed date of such change. (See par. (d) of accounts 1599 and 5089.)

(h) Specific authority shall be obtained from this Commission before using account 2220, "Provisions for equalization of maintenance expenses," and account 4198, "Maintenance-expense equalization." (See par. (a) of each of those accounts.)

(i) Specific authority shall be obtained from this Commission before transferring any amounts credited to account 2515, "Contributions of plant," to another account. (See par. (b) of account 2515.)

(j) A statement indicating the plan of accounting proposed to record the acquisition of duplicate and other plant acquired from predecessors which is intended to be retired shall be submitted to this Commission for consideration and approval prior to the recording of journal entries applicable thereto. (See par. (d) (3) of § 34.1-2.)

(k) Specific authority shall be obtained from this Commission before including in construction cost any interest covering a period of more than 6 months from the date of suspension of construction work. (See par. (c) (8) of § 34.1-3.)

(l) Amounts included in account 1999, "Other deferred charges," and account 2399, "Other deferred credits," representing settlements with lessees upon termination of leases shall not be disposed of except upon the specific approval or direction of this Commission. (See par. (g) of § 34.1-5.)

(m) Amounts included in account 2225, "Provisions for depreciation and replacement of operated plant leased

from others," and account 2230, "Leased operated plant retired," with respect to expired leases shall not be disposed of except upon the specific approval or direction of this Commission. (See par. (f) of § 34.1-6.)

(n) Specific authority shall be obtained from this Commission before recording amounts in accounts 4950, "Revenue-contract payments," and 5260, "Revenue-contract payments."

(o) Specific authority shall be obtained from this Commission before transferring any amounts charged to account 9010, "Research and development—Undistributed," to any account other than account 6299, "Other extraordinary income charges." (See note to account 9010.)

(p) Specific authority shall be obtained from this Commission before the elimination of or substitution for retirement units. (See par. (b) of § 34.1-6-1.)

§ 34.06-2 Provisions that require certain special reports to be filed. (a) A statement indicating the nature and purpose of subdivisions of the prescribed accounts, of experimental accounts, of temporary accounts, and of additional clearing accounts that have been opened in the books of account shall be filed with this Commission within 90 days of the effective date of this system of accounts. The carrier shall continue to keep the Commission informed of all additional accounts or subaccounts of these types subsequently opened. (See par. (b) (3) of § 34.03-5.)

(b) Copies of journal entries recorded to effect the transfers of balances carried in accounts previously maintained by the carrier, and a detailed statement of the method used in computing estimated cost, shall be submitted to this Commission within 90 days from the dates of the actual entries. (See § 34.03-6.)

(c) A statement showing the full particulars concerning any relatively large delayed item included in account 6110, "Delayed income credits," or account 6210, "Delayed income charges," shall be filed with this Commission within 30 days from the dates of the actual entries. (See § 34.03-13.)

(d) A transcript of the capital surplus accounts, together with a summary statement of the charges and credits, maintained prior to the effective date of this system of accounts shall be filed with this Commission within 90 days of the effective date of this system of accounts. (See par. (c) of § 34.10-10.)

(e) A statement showing the details concerning contingent assets and contingent liabilities shall be filed with the annual report to this Commission. (See § 34.10-16 and par. (b) of account 1751, "Notes receivable.")

(f) Copies of journal entries recording the acquisition of certain major properties shall be submitted to this Commission within 90 days from the dates of the actual entries. (See par. (g) of § 34.1-2.)

(g) Copies of journal entries recording the completion of the prescribed accounting for plant acquisitions shall be submitted to this Commission within 90 days from the date that the clearing

entries relating to each acquisition are made. Within 90 days from the date of any entry recording in acquisition, the carrier shall submit to this Commission a statement indicating the approximate date contemplated for the completion of the clearing entries relating thereto. (See particularly par. (g) of § 34.1-2 and par. (b) of account 91.)

(h) Not later than June 30, 1940, each carrier shall submit to this Commission for consideration and approval its plan for the establishment and maintenance of a continuous property-record. (See par. (b) of § 34.1-8.)

(i) A semiannual report shall be submitted to the Commission with respect to retirement units in accordance with the provisions of paragraph (d) of § 34.1-6-i.

BALANCE-SHEET ACCOUNTS

INSTRUCTIONS

§ 34.10-1 *Purpose of balance-sheet accounts.* The balance-sheet accounts are designed to show the financial position of the carrier as at a given date.

§ 34.10-2 *Current assets.* (a) Current assets are cash, those assets that are readily convertible into cash or are held for current use in operations or construction, current claims against others the payment of which is reasonably assured, and amounts accruing to the carrier that are subject to current settlement, except that bonds and other obligations of others classified by the carrier in investment and fund accounts at the time of acquisition shall remain so classified until the date of payment, sale, or other disposition thereof.

(b) There shall not be included in the group of accounts designated as Current Assets any item the collectibility of which is not reasonably assured unless adequate allowance has been made therefor in account 1765, "Allowance for uncollectible receivables." Items of current character but of doubtful value may be reduced in amount and, for record purposes, carried in these accounts at nominal value. The amounts of such reductions, or the amounts provided for by credits to account 1765, shall be charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," or account 6299, "Other extraordinary income charges," as appropriate.

§ 34.10-3 *Prepayments.* (a) Prepayments are amounts paid by the carrier for services to be rendered during a subsequent accounting period.

(b) When advance payments are made, the appropriate account shall be charged with the amount of such payment. As the term expires for which the advance payments were made the prepayment account shall be credited at monthly intervals and the appropriate expense account or other account shall be charged with the amount applicable to the expired term.

§ 34.10-4 *Deferred charges.* Deferred charges are amounts representing (a) debit items held in suspense pending determination of their actual status, (b) costs of services that have been rendered to the carrier but are chargeable to future operations, and (c) items which for

other reasons are allocable to other appropriate accounts for a succession of future periods.

§ 34.10-5 *Current liabilities.* (a) Current liabilities are those obligations that have become matured at the date of the balance sheet or that will become due within 1 year from the date thereof (except bonds, receivers' and trustees' securities, and similar obligations, which shall be classified as long-term debt until the date of maturity); matured taxes, such as income taxes, which shall be classified (in the balance sheet) as current liabilities even though payable more than 1 year from the balance-sheet date; compensation awards, which shall be classified as current liabilities regardless of the date due; and minor amounts payable in installments, which may be classified as current liabilities.

(b) The liability-accrual accounts shall include the amounts of interest, taxes, rents, and other items with respect to which amounts eventually payable have been recorded as deductions from revenue or income but which have not matured. (See also paragraph (a) of § 34.03-17.)

§ 34.10-6 *Long-term debt.* (a) When evidences of debt that, according to their terms, do not mature until more than 1 year from date of issuance are issued or assumed by the carrier or by a receiver or an operating trustee of the carrier, the face amount of such evidences of debt shall be recorded in the appropriate account under the caption "Long-term debt." (See also § 34.10-14.)

(b) If a liability, other than compensation awards or minor amounts payable in installments, is due more than 1 year from date of issuance or assumption by the carrier, it shall be credited to a long-term debt account appropriate for the transaction, but, for the purpose of classification in the balance sheet, a debt (except bonds, receivers' and trustees' securities, and similar obligations) shall be classified as a current liability if due within 1 year from the balance-sheet date.

§ 34.10-7 *Book cost of securities owned.* (a) Securities of others acquired by the carrier shall be recorded in these accounts at cost. Such cost shall not include any amount paid for dividends or for interest accrued.

(b) The carrier's records shall be so maintained as to show separately the cost of (1) common stock, (2) preferred stock, and (3) long-term debt.

(c) The carrier's records shall be so maintained that in the reports to this Commission the securities, classified as in paragraph (b) of this section, that are pledged as collateral security for any of the carrier's or other persons' long-term debt or short-term loans or to secure the performance of contracts may be shown separately from the securities, similarly classified, that are unpledged.

(d) There shall not be included in the accounts designated as investment and fund accounts any amount the ultimate realization of which is not reasonably assured unless adequate allowance has been made therefor in account 1699, "Allowance for doubtful investments." The

book cost of securities includible in such accounts shall be reduced to a nominal amount if there is no reasonable prospect of substantial value, but fluctuations in market value shall not be recorded in the accounts. Amounts by which these securities are thus reduced or amounts provided for by credits to account 1699, shall be charged to account 6299, "Other extraordinary income charges."

(e) When securities authorized by State laws for inclusion in legal reserve funds required by such laws, and in other similar fiduciary funds requiring a qualification for the investment thereof, and with a fixed maturity date (other than securities issued or assumed by affiliates), are purchased at a discount (i. e., when the total cost including brokerage fees, taxes, commissions, and similar costs is less than the face amount of the securities), such discount shall be amortized over the remaining life of the securities through periodic charges to account 1698, "Amortized discount and premium on investment securities," and credits to the account in which is recorded the interest from such securities. When such securities are purchased at a premium (i. e., when the total cost including brokerage fees, taxes, commissions, and similar costs is in excess of the face amount of the securities), such premium shall be amortized over the remaining life of the securities through credits to account 1698 and charges to the account in which is recorded the interest from such securities. No amounts shall be entered for amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value has been made. Any amounts in account 1698 representing the amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value is made shall be cleared by charges or credits, as appropriate, to the account in which is recorded the interest from such securities. (See also § 34.03-13 and § 34.03-15.)

(f) If securities actually issued or assumed by the carrier and reacquired by it are not retired, they shall be entered at book amount in account 2015, "Bonds reacquired," or account 2415, "Capital stock reacquired," as appropriate, unless it is required by contractual provision or by decision of a trustee not subject to control by the carrier that they be retained in debt-redemption or other funds. When so retained they shall be regarded and treated as actually outstanding, but not otherwise.

(g) When entries are made in account 2415, "Capital stock reacquired," recording the reacquisition of such stock, entries shall concurrently be made charging account 8315, "Earned surplus employed in reacquisition of capital stock," and crediting account 2615, "Reserve against impairment of stated capital," with amounts equal to the amount charged to account 2415. Upon the resale or retirement of such stock these latter entries shall be reversed.

§ 34.10-8 *Exchange of securities.* Before recording the journal entries that it is proposed to enter in the carrier's books to record the reacquisition of capi-

tal stock or other securities issued or assumed by the carrier under a plan for the issuance in exchange therefor of the carrier's securities, a statement indicating the plan of accounting proposed by the carrier shall be submitted to this Commission for consideration and approval. Such statement shall give complete information concerning the plan of exchange, the basis upon which the amounts have been determined, and a copy of the authorization issued by the regulatory body approving the plan.

§ 34.10-9 *Capital stock.* (a) All transactions relating to capital stock of the accounting carrier shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in distribution of dividends and assets, voting rights, and conditions under which they may be retired. If the stocks of the carrier are of two or more classes, the carrier's records shall be so maintained as to distinguish the amount applicable to each class in each of the following accounts:

- 1775 Subscriptions to capital stock.
- 1780 Deposits on subscriptions to capital stock.
- 1915 Capital stock expense.
- 1925 Discount on capital stock.
- 2160 Installment-plan receipts on purchase of capital stock.
- 2410 Capital stock issued.
- 2415 Capital stock reacquired.
- 2420 Capital stock subscribed—Unissued.
- 2425 Obligations for stock conversion.
- 2510 Premiums and assessments on capital stock.

(b) When, by compliance with the laws of the State under which it is incorporated, a carrier is authorized to issue shares of capital stock, a memorandum entry in account 2410, "Capital stock issued," shall be made showing the number of shares, the par or the stated value of each share, and the total authorized capitalization.

(c) Before recording the journal entries that it is proposed to enter in the carrier's books to record (1) the issuance of no-par capital stock, (2) the appropriation of surplus for transfer to the no-par capital stock account, (3) the reduction of capital surplus through the use of the no-par capital stock account, or (4) the reduction of account 2410, "Capital stock issued," through the creation of surplus or the reduction of book value of assets, the plan of accounting shall be submitted to this Commission for consideration and approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded have been determined and a copy of the authorization issued by the regulatory body approving the issuance of no-par stock or the change in the capital stock and surplus accounts.

§ 34.10-10 *Surplus.* (a) The accounts designated as capital surplus accounts are designed to show (1) paid-in surplus (i. e., proprietary contributions in excess of the stated capital included in the capital stock accounts), (2) donated surplus (i. e., contributions that increase the assets but do not increase the

liabilities or the proprietary interests), (3) surplus arising from reacquisition or resale of, or otherwise trading in, the carrier's own capital stock, and (4) surplus due to the reduction of the stated value of capital stock due to such occasions as retirement, reorganization, or recapitalization.

(b) The balance-sheet accounts designated as earned surplus accounts are designed to show the accumulated undistributed surplus derived from the normal operations of the carrier, including the income from all sources other than the capital gains referred to in paragraph (a) of this section.

(c) Within 90 days from the effective date of this system of accounts the carrier shall submit to this Commission a transcript of its capital surplus account or accounts covering the entire period to the effective date of this system of accounts, showing in detail the nature and amount of charges and credits, respectively, and the balance that was in the account at the close of each year. The transcript shall be accompanied by a summary statement in which the charges and credits for the entire period covered by the transcript have been classified according to their nature and summarized to show the aggregate amount of each class as well as the aggregate amount of charges and credits, respectively, for the period and the resulting balance in the account at the effective date of this system of accounts.

§ 34.10-11 *Provisions for future settlements.* When in anticipation of settlements or similar transactions it is required that certain amounts shall be charged to operating expenses or other accounts without a corresponding reduction in the assets of the carrier, such amounts shall be credited to the appropriate account under the caption, "Provisions for future settlements." The credit balances in these accounts should indicate the estimated amount of future settlements or other extinguishments subsequent to the date of the balance sheet with respect to amounts allocable to periods prior to that date.

§ 34.10-12 *Deferred credits.* Deferred credits are amounts representing (a) credit items held in suspense pending determination of their actual status and (b) obligations (e. g., unamortized premium on debt) that have been incurred but are applicable to future operations of income.

§ 34.10-13 *Discount, expense, and premium on capital stock.* (a) An account shall be maintained for each class of capital stock issued by the carrier (separately from the capital stock accounts) and there shall be included in each such account both the discount and premium associated with the issuance and sale of (exclusive of the sale of reacquired stock), or subscriptions to, each such class of stock.

(b) Stock expense shall not be added to discount, or deducted from premium, on capital stock, but shall be included in account 1915, "Capital stock expense."

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium ac-

counts shall be reported under account 1925, "Discount on capital stock," and the total of the credit balances shall be reported under account 2510, "Premiums and assessments on capital stock." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) General levies or assessments against stockholders shall be credited to the discount and premium account for the particular class of stock assessed.

(e) Expenses on capital stock issued may be charged off to account 6299, "Other extraordinary income charges," in total or in installments or the amounts thereof may be retained in account 1915, "Capital stock expense," until the stock to which the expense applies is reacquired. Discount or premium on capital stock issued shall be retained in the discount and premium account until the stock is reacquired or until otherwise disposed of lawfully, except that inconsequential amounts of discount that would not appreciably affect the accounts may be charged off to account 8299, "Miscellaneous charges to earned surplus."

(f) When capital stock which has been actually issued by the carrier is reacquired, the difference between (1) the amount paid therefor upon reacquisition and (2) the book amount plus the premium or less the discount and expense originally entered in respect thereto and not charged off shall be charged or credited, as appropriate, to account 2599, "Other capital surplus"; provided, however, that such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," if the amounts thereof exceed the balance in account 2599; and provided further, that in no event shall charges in excess of accumulated credits from the reacquisition, resale, or retirement of capital stock of the same class be charged to account 2599.

(g) Discount, expense, or premium on capital stock shall not be included in any account as a part of the cost of constructing or acquiring plant or as a part of the cost of operation.

(h) The carrier's records shall be so maintained that in the reports to this Commission there may be shown the extent to which the surplus accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of resale of reacquired capital stock.

§ 34.10-14 *Discount, expense, and premium on long-term debt.* (a) An account shall be maintained for each issue or series of long-term debt issued or assumed by the carrier (separately from the long-term debt accounts) and there shall be included in each such account both the discount and premium associated with the issuance and sale of (exclusive of the sale of reacquired long-term debt) or subscription to each such issue or series of debt.

(b) Debt expense shall not be added to discount, or deducted from premium, on long-term debt, but shall be included in account 1920, "Long-term debt expense."

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1930,

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"Unamortized discount on debt," and the total of the credit balances remaining in those accounts shall be reported under account 2310, "Unamortized premium on debt." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) Discount, expense, and premium with respect to each issue or series of long-term debt shall be amortized under such a plan as will equitably distribute the amounts over the life of the securities. The amortization shall be on a monthly basis and the amounts thereof shall be charged to account 5220, "Amortization of debt discount," or account 5245, "Amortization of debt expense," or credited to account 5230, "Amortization of debt premium—Cr.," as appropriate. The carrier may, however, accelerate the writing off of debt expense and extinguish inconsequential amounts of discount (that it would be burdensome to amortize, and would not appreciably affect the accounts) by charges to account 6299, "Other extraordinary income charges." Where there is a definite plan to retire an issue without refunding prior to its maturity date, amortization may be accelerated to extinguish the balance in the discount and premium account at the date of contemplated retirement.

(e) When any long-term debt is reacquired without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the difference between the amount paid upon reacquirement and the book amount plus the unamortized premium or less the unamortized discount, as the case may be, applicable to the debt reacquired, shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate.

(f) When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the date of maturity of the prior issue, any unamortized discount, expense, or premium on the prior issue and any premium paid or discount enjoyed upon reacquirement shall be debited or credited, as appropriate, to account 6299, "Other extraordinary income charges," or account 6199, "Other extraordinary income credits," provided, however, that if the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of redemption, the permission of the Commission must be obtained.

(g) Discount, expense, or premium on long-term debt shall not be included in the cost of constructing or acquiring plant, except as provided for in § 34.1-3.

(h) The carrier's records shall be so maintained that in the reports to this Commission there may be shown the extent to which the income accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of resale of reacquired long-term debt.

§ 34.10-15 *Irrevocable trusts.* Funds relinquished from the control of the carrier that are irrevocably devoted to the establishment or continuation of any trust or fiduciary fund (such as pension or similar funds) shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon showing the amount of such funds.

§ 34.10-16 *Contingent assets and liabilities.* In the carrier's reports to this Commission amounts representing contingent assets and contingent liabilities shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon and the amounts shall be shown in detail in a supplementary statement.

§ 34.10-17 *Nominally issued securities.* (a) Each carrier shall maintain, in addition to the capital stock and long-term debt accounts prescribed herein, memorandum debit and credit accounts for securities which have been nominally but not actually issued.

(b) When no-par stock is nominally issued, the number of shares issued shall be shown in the memorandum accounts.

(c) A separate memorandum account, with appropriate title, shall be maintained for each class and issue or series of such securities.

§ 34.10-99 *Contemplated form of balance sheet.* (See § 34.03-9.)

BALANCE SHEET	
ASSET SIDE	
Communication plant	
Account No.	Particulars
1000	Operated plant in carrier's service..... \$.....
1100	Operated plant leased to others.....
1200	Improvements and replacements of operated plant leased from others.....
1300	Plant under construction.....
1400	Plant held for future communication use.....
1510	Plant acquisition adjustments..... \$.....
Less:	
1515	Allowance for depreciation—Radiotelegraph plant..... \$.....
1520	Allowance for amortization—Radiotelegraph plant.....
1530	Telephone, wire-telegraph, and ocean-cable plant..... \$.....
1535	Less: Allowance for depreciation and amortization—Telephone, wire-telegraph, and ocean-cable plant.....
1599	Foreign investment in communication plant.....
Total.....	
Investments and funds	
1610	Miscellaneous physical property..... \$.....
1615	Less: Allowance for depreciation—Miscellaneous physical property..... \$.....
1620	Investments in affiliates.....
1629	Other investments.....
1630	Debt-redemption funds.....
1635	Employees' provident funds.....
1640	Insurance funds.....
1645	Miscellaneous funds held by trustees.....
1659	Other miscellaneous funds.....
1698	Amortized discount and premium on investment securities.....
1699	Less: Allowance for doubtful investments..... \$.....
Total.....	

BALANCE SHEET—Continued

ASSET SIDE—continued

Current assets

Account No.	Particulars	
1710	Cash.....	\$.....
1715	Special cash deposits.....	
1720	Working cash advances.....	
1725	Temporary investments.....	
1730	Operating revenues receivable from users.....	\$.....
1742	Traffic settlements receivable from affiliates.....	
1749	Other receivables from affiliates.....	
1751	Notes receivable.....	
1752	Traffic settlements receivable.....	
1753	Matured interest receivable.....	
1754	Declared dividends receivable.....	
1755	Matured rents receivable.....	
1759	Other accounts receivable.....	
Less: Allowance for uncollectible receivables.....		\$.....
1770	Unmatured accrued receivables.....	
1775	Subscriptions to capital stock.....	\$.....
1780	Less: Deposits on subscriptions to capital stock.....	
1785	Subscriptions to bonds.....	\$.....
1790	Less: Deposits on subscriptions to bonds.....	
1795	Material and supplies.....	
1799	Other current assets.....	
Total.....		\$.....

Prepayments

1810	Prepaid insurance.....	\$.....
1815	Prepaid rents.....	
1820	Prepaid taxes.....	
1899	Other prepayments.....	
Total.....		\$.....

Deferred charges

1910	Extraordinary maintenance, depreciation, and retirements.....	\$.....
1915	Capital stock expense.....	
1920	Long-term debt expense.....	
1925	Discount on capital stock.....	
1930	Unamortized discount on debt.....	
1935	Preliminary survey and investigation charges.....	
1940	Debit balances in clearing accounts.....	
1999	Other deferred charges.....	
Total.....		\$.....
Total—Asset side.....		\$.....

LIABILITY SIDE

Long-term debt

2010	Bonds actually issued.....	\$.....
2015	Less: Bonds reacquired.....	\$.....
2020	Bonds subscribed—Unissued.....	
2025	Receivers' and trustees' securities.....	
2030	Advances from affiliates.....	
2099	Other long-term debt.....	
Total.....		\$.....

Current liabilities

2110	Matured long-term debt.....	\$.....
2115	Customers' deposits.....	
2122	Traffic settlements payable to affiliates.....	
2129	Other payables to affiliates.....	
2131	Notes payable.....	
2132	Traffic settlements payable.....	
2133	Matured interest payable.....	
2134	Declared dividends.....	
2135	Matured rents payable.....	
2139	Other accounts payable.....	
2155	Advance billings.....	
2160	Installment-plan receipts on purchase of capital stock.....	

(Liability accounts)

2165	Interest accruals.....	
2170	Rent accruals.....	
2175	Tax accruals.....	
2180	Other accruals.....	
2199	Other current liabilities.....	
Total.....		\$.....

Provisions for future settlements

2210	Provisions for employees' pensions and welfare.....	\$.....
2215	Provisions for self-carried insurance.....	

BALANCE SHEET—Continued
LIABILITY SIDE—continued

Provisions for future settlements—Continued

Account No.	Particulars	
2220	Provisions for equalization of maintenance expenses.....	\$.....
2225	Provisions for depreciation and replacement of operated plant leased from others.....	-----
2230	Leased operated plant retired.....	-----
2299	Other provisions for future settlements.....	-----
	Total.....	\$.....
<i>Deferred credits</i>		
2310	Unamortized premium on debt.....	\$.....
2315	Advances for construction.....	-----
2320	Credit balances in clearing accounts.....	-----
2399	Other deferred credits.....	-----
	Total.....	\$.....
<i>Capital stock</i>		
2410	Capital stock issued.....	\$.....
2415	Less: Capital stock reacquired.....	\$.....
2420	Capital stock subscribed—Unissued.....	-----
2425	Obligations for stock conversion.....	-----
	Total.....	\$.....
<i>Capital surplus</i>		
2510	Premiums and assessments on capital stock.....	\$.....
2515	Contribution of plant.....	-----
2599	Other capital surplus.....	-----
	Total.....	\$.....
<i>Earned surplus</i>		
2610	Contractual reserves.....	\$.....
2615	Reserve against impairment of stated capital.....	-----
2620	Miscellaneous reserves.....	-----
2699	Unappropriated earned surplus.....	-----
	Total.....	\$.....
	Total—Liability side.....	\$.....

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Communication Plant

§ 34.1000 *Operated plant in carrier's service.* This account shall include the total of the balances in the operated plant accounts applicable to plant owned and used by the carrier in its radio-telegraph operations, except such plant the cost of which is includible in account 1200, "Improvements and replacements of operated plant leased from others."

§ 34.1100 *Operated plant leased to others.* This account shall include the total of the balances in the operated plant accounts applicable to plant owned by the carrier and leased to others as substantially complete operating systems or operating units where the lessee has exclusive possession.

NOTE: When the lessor is given or retains the exclusive privileges to maintain, inspect, and service equipment, to handle and adjust traffic accounts, to perform other similar services, or to designate who may perform such services for the lessee, the lessee will be deemed not to have the exclusive possession of the plant, and its cost shall be included in account 1000, "Operated plant in carrier's service."

§ 34.1200 *Improvements and replacements of operated plant leased from others.* This account shall include the total of the balances in the operated plant accounts applicable to improve-

ments and replacements of operated plant leased from others.

§ 34.1300 *Plant under construction.* (a) This account shall include the cost of construction of plant not completed ready for service.

(b) When any plant the cost of which is included in this account is completed ready for service, the cost thereof shall be credited to this account and charged to the operated plant accounts, account 1400, "Plant held for future communication use," or other accounts, as appropriate.

§ 34.1400 *Plant held for future communication use.* (a) This account shall include the cost of completed plant owned by the carrier and held for future use in communication service under a definite plan.

(b) The amounts included in this account shall be classified in accordance with the titles and texts of the appropriate plant accounts and the account shall be maintained in the same manner and detail as though the plant were in communication service.

§ 34.1510 *Plant acquisition adjustments.* (a) This account shall include the difference between (1) the acquisition cost of plant acquired from predecessors as substantially complete operating systems or operating units and (2) the original cost of such plant less the required allowances for depreciation and amortization of the plant at the date of acquisition. (See also § 34.1-2.)

(b) This account shall include, under a separate subdivision, the difference between the original cost and the book cost of radiotelegraph plant at the effective date of this system of accounts, to the extent that such difference is not attributable to acquisitions from predecessors.

(c) This account shall be subdivided according to the character of the amounts included herein for each plant acquisition; and further subdivided to show the amounts applicable to operated plant in carrier's service, operated plant leased to others, and plant held for future communication use.

(d) If the actual original cost is not known, the entries in this account shall be based upon an estimate of such cost.

(e) The amounts recorded in this account shall be disposed of in such manner as this Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 34.1515 *Allowance for depreciation—Radiotelegraph plant.* (a) This account shall be credited with amounts charged to account 4910, "Depreciation," to account 5010, "Income from operated plant leased to others," to account 5299, "Other deductions from ordinary income," and to clearing accounts for currently accruing depreciation of radiotelegraph plant owned by the carrier; also amounts of depreciation applicable to plant contributed to the carrier, and plant acquired from predecessors as provided in §§ 34.1-2 and 34.1-5. (See also §§ 34.04-1, 34.04-2, 34.04-3, 34.04-4, and 34.30-3.)

(b) As at the effective date of this system of accounts, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the estimated sustained depreciation of all depreciable operated plant owned by the carrier at that date. The amount thus credited shall, unless otherwise authorized by this Commission, be charged to account 6299, "Other extraordinary income charges."

(c) This account shall be regarded and treated as a single composite allowance account. For purposes of analysis, however, each carrier shall maintain records in which the balance in the account shall be segregated into component parts corresponding to the operated plant accounts and subdivisions thereof which include the cost of depreciable operated plant.

(d) This account shall be subdivided as follows:

- 1515:01 Allowance for depreciation of operated plant owned and used in carrier's service.
- 1515:02 Allowance for depreciation of improvements and replacements of operated plant leased from others.
- 1515:03 Allowance for depreciation of operated plant leased to others.
- 1515:04 Allowance for depreciation of plant held for future communication use.

NOTE: When plant is transferred from one class of communication service to another or from communication service to non-carrier operations, the accounting shall be as provided in § 34.1-7.

§ 34.1520 *Allowance for amortization—Radiotelegraph plant.* (a) This account shall be credited with amounts charged to account 4915, "Amortization—Intangible operated plant," to account 5010, "Income from operated plant leased to others," and to account 5299, "Other deductions from ordinary income," to provide for the extinguishment of amounts included in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," and 89, "Other intangibles," also amounts of amortization applicable to plant contributed to the carrier and plant acquired from predecessors as provided in §§ 34.03-6 and 34.1-2. (See also § 34.30-3.) It shall be credited with amounts charged to account 6299, "Other extraordinary income charges," to provide for the extinguishment of amounts included in account 81, "Organization."

(b) This account shall be credited or charged, as appropriate, with amounts authorized or directed by the Commission to be charged or credited to accounts 4920, "Amortization of plant acquisition adjustments," and 5255, "Amortization of plant acquisition adjustments," to provide for the extinguishment of amounts included in account 1510, "Plant acquisition adjustments."

(c) As at the effective date of this system of accounts, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the expired service value of intangibles (having a terminable life) the cost of which is includible in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," and 89, "Other intangibles." The amount thus credited shall, unless otherwise authorized by this Com-

mission, be charged to account 6299, "Other extraordinary income charges."

(d) When any franchise, patent right, leasehold, or other intangible item expires or is sold, relinquished, or otherwise retired from service, the cost thereof shall be credited to the appropriate plant account and this account shall be charged with the amount previously credited hereto with respect to such intangible item. The difference between the foregoing amounts, less the proceeds realized at retirement, shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate.

(e) The records supporting the entries in this account shall be so maintained as to show the amount applicable to each intangible item under the following subdivisions:

- 1520:01 Allowance for amortization of intangibles in carrier's service.
- 1520:02 Allowance for amortization of intangibles leased to others.
- 1520:03 Allowance for amortization of plant acquisition adjustments.
- 1520:04 Allowance for amortization of intangibles held for future communication use.

§ 34.1530 *Telephone, wire-telegraph, and ocean-cable plant.* This account shall include the amount of the balances in the plant accounts for telephone, wire-telegraph, and ocean-cable plant in service. (See also § 34.03-8.)

§ 34.1535 *Allowance for depreciation and amortization—Telephone, wire-telegraph, and ocean-cable plant.* This account shall include the amount of the balances in the allowance accounts for telephone, wire-telegraph, and ocean-cable plant in service. (See also § 34.03-8.)

§ 34.1599 *Foreign investment in communication plant.* (a) This account may include the net amount of the acquisition cost of the carrier's communication plant that is located in foreign countries and the related allowances for depreciation and amortization, when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the plant located in each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in the reports to this Commission, a complete analysis of the transactions affecting each station may be shown.

(d) Each carrier that elects to use this account shall advise this Commission of the fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to alternative procedure prescribed for domestic plant, or vice versa, shall not be made thereafter without submitting to this Commission for its consideration and approval notice of the change at least 90 days before the proposed effective date of such change.

Investments and Funds

§ 34.1610 *Miscellaneous physical property.* This account shall include the carrier's investment in physical property other than that used in communication service, except property the cost of which is includible in account 1400, "Plant held for future communication use." It shall include the amount of all assessments for the construction of public improvements levied against miscellaneous physical property. (See also § 34.1-7.)

§ 34.1615 *Allowance for depreciation—Miscellaneous physical property.* (a) This account shall be credited with amounts charged to account 5110, "Income from miscellaneous physical property," for the depreciation of depreciable property the cost of which is includible in account 1610. "Miscellaneous physical property."

(b) When miscellaneous physical property is disposed of, this account shall be charged with the amount previously credited hereto with respect to such property. The difference between the book cost of the property retired and the sum of the amount chargeable to this account and the amount of the salvage recovered (or the proceeds from the sale of the property) shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate. (See also § 34.1-7.)

§ 34.1620 *Investments in affiliates.* (a) This account shall include the book cost of the carrier's investment in securities issued or assumed by affiliates, other than securities of affiliates held in special funds or as temporary investments. It shall include the amount of investment advances to affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment in each affiliate under the following subdivisions:

- 1620:01 Investments in securities of affiliates.
- 1620:02 Investment advances to affiliates.

NOTE A: The book cost of securities of affiliates owned by the carrier and held in special funds or as temporary investments shall be included in accounts 1630, 1635, 1640, 1645, 1659, or 1725, as appropriate.

NOTE B: Advances to affiliates that are subject to current settlement shall be included in account 1749, "Other receivables from affiliates."

§ 34.1629 *Other investments.* (a) This account shall include the book cost of the carrier's investment in securities issued or assumed by nonaffiliates, other than such securities held in special funds or as temporary investments. It shall include the amount of investment advances to nonaffiliates and other investments not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment in each nonaffiliate under the following subdivisions:

- 1629:01 Investments in securities of nonaffiliates.
- 1629:02 Investment advances to nonaffiliates.
- 1629:99 Other.

NOTE A: The book cost of securities of nonaffiliates owned by the carrier and held in special funds or as temporary investments, shall be included in accounts 1630, 1635, 1640, 1645, 1659, or 1725, as appropriate.

NOTE B: Advances to nonaffiliates that are subject to current settlement shall be included in account 1751, "Notes receivable," or account 1759, "Other accounts receivable," as appropriate.

§ 34.1630 *Debt-redemption funds.* (a) This account shall include the book cost of assets that have been segregated in special funds for the purpose of redeeming outstanding long-term debt of the carrier.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of long-term debt for the redemption of which a special fund is maintained.

NOTE: Nothing contained herein shall be construed as preventing the carrier from transferring applicable debt-redemption funds to account 1715, "Special cash deposits," for the purpose of paying matured long-term debt, or obligations called for redemption but not presented, or the interest thereon.

§ 34.1635 *Employees' provident funds.* This account shall include the amount of cash, the book cost of securities of others, and the book amount of nominally issued and nominally outstanding securities issued or assumed by the carrier and other assets held by trustees or managers of employees' pension funds, savings funds, relief, hospital, and other association funds (whether contributed by the carrier, by employees, or by others), when such trustees or managers are acting for the carrier in the administration of such funds. (See also §§ 34.10-15 and 34.30-2.)

§ 34.1640 *Insurance funds.* (a) This account shall include the book cost of assets that have been segregated in special funds for the purpose of liquidating losses from accident, fire, flood, or other casualties.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 34.1645 *Miscellaneous funds held by trustees.* This account shall include the amount of cash and the cost of other assets deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; also cash realized from the sale of the carrier's securities and deposited with trustees to be held until invested in property for the carrier. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amount released.

§ 34.1659 *Other miscellaneous funds.* (a) This account shall include the book cost of assets that have been segregated in special funds for specific purposes not provided for elsewhere.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 34.1698 *Amortized discount and premium on investment securities.* (a) This account shall include the amount of amortized discount and premium charged or credited as interest from securities

held as long-term investments, as provided in paragraph (e) of § 34.10-7.

(b) A separate subaccount with appropriate title shall be maintained for each class and issue or series of securities with respect to which amounts are entered herein, with an appropriate reference to the account in which the cost of the securities is recorded.

§ 34.1699 *Allowance for doubtful investments.* (a) This account shall be credited with amounts charged to account 6299, "Other extraordinary income charges," to provide for the doubtful value of investments.

(b) When securities are sold or otherwise disposed of, or their book cost is reduced to a nominal value, this account shall be charged with any amounts covered by credits hereto with respect to such securities.

Current Assets

§ 34.1710 *Cash.* This account shall include the amount of current funds available for use on demand, in the hands of financial officers and agents, or deposited in banks or with trust companies, and funds in transit for which managers and agents have received credit.

§ 34.1715 *Special cash deposits.* (a) This account shall include the amount of cash in special deposits, other than in debt-redemption and other funds, for the payment of interest, dividends, and other debts when such payments are due 1 year or less from the date of deposit; also the amount of cash deposited to insure the performance of contracts to be performed within 1 year from the date of deposit, and other cash deposits for specific purposes not provided for elsewhere. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amount released.

(b) This account shall be subdivided as follows:

- 1715:01 Special deposits—Interest.
- 1715:02 Special deposits—Dividends.
- 1715:99 Special deposits—Other.

§ 34.1720 *Working cash advances.* This account shall include the amount of cash advanced to officers, agents, employees, and others as petty cash or working funds.

§ 34.1725 *Temporary investments.* (a) This account shall include the book cost of securities acquired for the purpose of temporarily investing cash, such as demand and time loans, bankers' acceptances, United States Treasury certificates, and other similar investments.

(b) This account shall be subdivided as follows:

- 1725:01 Temporary investments—Affiliates.
- 1725:99 Temporary investments—Other.

§ 34.1730 *Operating revenues receivable from users.* (a) This account shall include amounts receivable from customers for services rendered or billed and from agents and collectors authorized to make collections from customers.

(b) This account shall be subdivided as follows:

- 1730:03 Agents and collectors.
- 1730:99 Others.

(c) The records supporting the entries in this account shall be so maintained as to show separately (1) amounts due for services rendered and (2) amounts due for services to be rendered (see contra account 2155, "Advance billings").

NOTE A: Amounts representing revenues accrued but not due shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable from other carriers for participation in transmission shall be included in the accounts maintained in accordance with the provisions of paragraph (a) of § 34.31-3.

NOTE C: Amounts due on notes accepted in settlement of customers' accounts shall be included in account 1751, "Notes receivable."

§ 34.1742 *Traffic settlements receivable from affiliates.* This account shall include the net amount receivable from affiliated carriers against each of which there is a net debit balance in the accounts maintained for traffic settlements. (See particularly par. (a) of § 34.31-3.)

§ 34.1749 *Other receivables from affiliates.* (a) This account shall include amounts receivable from affiliates not provided for elsewhere. (See particularly accounts 1730, 1742, 1770, 1775, and 1785.)

(b) This account shall be subdivided as follows:

- 1749:01 Matured interest receivable.
- 1749:02 Declared dividends receivable.
- 1749:03 Matured rents receivable.
- 1749:04 Current notes receivable. (See also account 1620.)
- 1749:99 Other accounts receivable.

(c) In stating the balance sheet there may be included in this account the net amount receivable from affiliates against each of which there is a net debit balance between items applicable to a particular subdivision of this account and the comparable subdivision of account 2129, "Other payables to affiliates."

§ 34.1751 *Notes receivable.* (a) This account shall include amounts receivable from persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness, payable on demand or not more than 1 year from the date of issuance. (See also account 1629, "Other investments.")

(b) The book amount of items includible herein that are discounted or sold without releasing the carrier from liability thereon, shall be credited to this account and reported as a contingent liability. (See particularly § 34.10-16.)

§ 34.1752 *Traffic settlements receivable.* This account shall include the net amount receivable from persons other than affiliates against each of which there is a net debit balance in the accounts maintained for traffic settlements. (See particularly par. (a) of § 34.31-3.)

§ 34.1753 *Matured interest receivable.* This account shall be charged with amounts credited to account 5125, "Interest income," or account 5135, "Income from debt-redemption and other funds," representing matured interest receivable from persons other than affiliates that is subject to current settlement.

NOTE A: Earned interest receivable that is accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Matured interest receivable that is not subject to current settlement shall be included in the account in which the principal amount is carried.

§ 34.1754 *Declared dividends receivable.* This account shall be charged with amounts credited to account 5120, "Dividend income," or to account 5135, "Income from debt-redemption and other funds," representing dividends declared on stocks of persons other than affiliates that become mature not later than the first day following the date of the balance sheet.

NOTE: Declared dividends receivable that do not mature until after the first day following the date of the balance sheet shall be included in account 1770, "Unmatured accrued receivables."

§ 34.1755 *Matured rents receivable.* This account shall be charged with amounts credited to the income accounts representing rentals receivable from persons other than affiliates that are matured and subject to current settlement.

NOTE A: Rentals receivable that are accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable for minor rentals shall be included in account 1730, "Operating revenues receivable from users."

§ 34.1759 *Other accounts receivable.* (a) This account shall include the net amount receivable from persons other than affiliates against each of whom there is a net debit balance in accounts maintained for transactions other than those includible in accounts 1730 and 1751 to 1755, inclusive. (See also accounts 1749, "Other receivables from affiliates," 1770, "Unmatured accrued receivables," 1775, "Subscriptions to capital stock," and 1785, "Subscriptions to bonds.")

(b) This account shall be subdivided as follows:

- 1759:02 Receivable from officers and employees.
- 1759:99 Receivable from others.

§ 34.1765 *Allowance for uncollectible receivables.* (a) This account shall be credited with amounts charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," and account 6299, "Other extraordinary income charges," to provide for uncollectible receivables, under a plan consistently followed and adjusted for errors in estimates.

(b) This account shall be charged with any amounts covered herein that are determined to be impracticable of collection and shall be credited with amounts collected that previously were charged herein.

(c) The records supporting the entries in this account shall be so maintained as to show the amount applicable to each class of receivables for which allowances are established; also the account that was charged with each credit in this account.

§ 34.1770 *Unmatured accrued receivables.* (a) This account shall include the amount of revenue estimated to have accrued for services not billed but billable or not due under contract and the

amount of interest, dividends, rent, and other items accrued to the date for which the balance sheet is made, but not receivable until after the first day following that date.

(b) This account shall be subdivided as follows:

- 1770:01 Accrued communication revenue.
- 1770:02 Accrued interest.
- 1770:03 Declared dividends.
- 1770:04 Accrued rents.
- 1770:99 Other accrued receivables.

§ 34.1775 Subscriptions to capital stock. (a) The amount of each subscription to capital stock of the carrier shall be charged to this account at the time the subscription is accepted. The book amount of the stock subscribed shall be credited to account 2420, "Capital stock subscribed—Unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of paragraph (a) of § 34.10-13. (See also account 1780, "Deposits on subscriptions to capital stock.")

(b) This account shall be subdivided as follows:

- 1775:01 Amounts subscribed by affiliates.
- 1775:02 Amounts subscribed by officers and employees.
- 1775:04 Amounts subscribed by underwriters.
- 1775:99 Amounts subscribed by others.

§ 34.1780 Deposits on subscriptions to capital stock. (a) This account shall be credited with amounts received as payments on subscriptions to capital stock.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1775, "Subscriptions to capital stock," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 2599, "Other capital surplus."

(d) This account shall be subdivided as follows:

- 1780:01 Deposits received from affiliates.
- 1780:02 Deposits received from officers and employees.
- 1780:04 Deposits received from underwriters.
- 1780:99 Deposits received from others.

§ 34.1785 Subscriptions to bonds. (a) The amount of each subscription to bonds of the carrier shall be charged to this account at the time the subscription is accepted. The face amount of the bonds subscribed shall be credited to account 2020, "Bonds subscribed—Unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of paragraph (a) of § 34.10-14. (See also account 1790, "Deposits on subscriptions to bonds.")

(b) This account shall be subdivided as follows:

- 1785:01 Amounts subscribed by affiliates.
- 1785:02 Amounts subscribed by officers and employees.
- 1785:04 Amounts subscribed by underwriters.
- 1785:99 Amounts subscribed by others.

§ 34.1790 Deposits on subscriptions to bonds. (a) This account shall be credited with amounts received as payments on subscriptions to bonds of the carrier.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1785, "Subscriptions to bonds," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 6199, "Other extraordinary income credits."

(d) This account shall be subdivided as follows:

- 1790:01 Deposits received from affiliates.
- 1790:02 Deposits received from officers and employees.
- 1790:04 Deposits received from underwriters.
- 1790:99 Deposits received from others.

§ 34.1795 Material and supplies.

(a) This account shall include the cost (consideration being given to the adjustments outlined in paragraphs (b), (c), (d), and (e) of this section) of unapplied material and supplies held for use in communication service (including plant supplies, unissued small tools, fuel, stationery, and other supplies) and of material and articles of the carrier in process of manufacture for supply stock.

(b) Cost shall include the purchase price at the point of free delivery, plus customs duties, excise taxes, and other taxes on purchases, insurance, cost of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges. (Transportation and other charges impracticable of inclusion in the cost of the particular material to which they relate shall be charged to account 9030, "Supply expense—Undistributed.")

(c) Cash and other discounts on material shall be deducted from the cost of the particular material to which they relate or credited to the account to which the material is charged. (When impracticable of such treatment, they shall be credited to account 9030, "Supply expense—Undistributed.")

(d) Material recovered in connection with construction, maintenance, or retirement of plant shall be included in this account as follows:

(1) Reusable material shall be included in the appropriate subdivision of this account at weighted average prices based upon the estimated reasonable second-hand value thereof.

(2) The cost of repairing reusable material shall be charged to this account. (When impracticable of such treatment, the cost of such repairing shall be charged to account 9030, "Supply expense—Undistributed.")

(3) Scrap and nonusable material shall be included in this account at the estimated net amount realizable therefrom. The differences between the amounts realized for scrap and nonusable material sold and the amount at which the material was included in this account shall be adjusted to the accounts credited when the material was charged to this account. (When impracticable of such treatment, the differences shall be adjusted to account 9030, "Supply expense—Undistributed.")

(e) Inventories of material and supplies shall be taken during each calendar year and the necessary adjustments shall be made to bring the balance in this account into agreement with the actual inventories. In effecting the adjustments, differences that can be assigned to important classes of material shall be equitably adjusted among the accounts to which such classes of material were charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which material has been charged since the last inventory or included in account 9030, "Supply expense—Undistributed."

(f) This account shall be subdivided as follows:

- 1795:01 Material held for use in the carrier's communication operations.
- 1795:02 Material in process of conversion.
- 1795:03 Merchandise known to be held predominantly for sale or resale, or for use in jobbing or contracting operations.
- 1795:04 Material and supplies held for other than communication operations.
- 1795:05 Undistributed supply expense.

NOTE A: This account shall not include amounts representing cost of material or articles the title to which is not vested in the carrier.

NOTE B: Interest on material bills the payment of which has been delayed shall be charged to account 5235, "Other interest charges."

§ 34.1799 Other current assets. (a) This account shall include the amount of current assets not provided for elsewhere.

(b) The record supporting the entries in this account shall be so maintained as to show the nature of each class of assets included herein.

Prepayments

§ 34.1810 Prepaid insurance. This account shall be charged with the amounts of insurance premiums paid in advance. As the term expires for which the insurance premiums were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 34.1815 Prepaid rents. This account shall be charged with the amounts of rents paid in advance. As the term expires for which the rents were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 34.1820 Prepaid taxes. This account shall be charged with the amounts of taxes paid in advance. As the term expires for which the taxes were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 34.1899 Other prepayments. This account shall be charged with the amounts of prepayments not provided for elsewhere. As the term expires for which the payments were made, this account shall be credited at monthly intervals and the appropriate accounts charged.

Deferred Charges

§ 34.1910 Extraordinary maintenance, depreciation, and retirements. This account shall include, when so au-

thorized by this Commission, the unprovided-for loss in service value of plant retired for causes not factors in depreciation. (See also § 34.04-4.) It shall include such other amounts as may be authorized or directed by this Commission.

§ 34.1915 *Capital stock expense.* (a) This account shall include the amount of stock expenses that have not been charged to account 6299, "Other extraordinary income charges." (See particularly § 34.10-13.)

(b) A separate subaccount, with appropriate title, shall be maintained for stock expenses applicable to each class of capital stock.

NOTE: Expenses incurred in connection with the reacquisition and resale of capital stock shall be accounted for as provided in § 34.10-13 and account 2415, "Capital stock reacquired."

§ 34.1920 *Long-term debt expense.* (a) This account shall include the amount of debt expenses that have not been charged to account 6299, "Other extraordinary income charges." (See particularly § 34.10-14.)

(b) A separate subaccount, with appropriate title, shall be maintained for debt expenses applicable to each issue or series of long-term debt.

NOTE: Expenses incurred in connection with the reacquisition and resale of long-term debt shall be accounted for as provided in § 34.10-14 and the text of account 2015, "Bonds reacquired."

§ 34.1925 *Discount on capital stock.* This account shall include the total of the debit balances in the capital stock discount and premium accounts. (See particularly § 34.10-13.)

§ 34.1930 *Unamortized discount on debt.* This account shall include the total of the debit balances in the long-term debt discount and premium accounts. (See particularly § 34.10-14.)

§ 34.1935 *Preliminary survey and investigation charges.* (a) This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of major projects under contemplation. If construction results, this account shall be credited and the appropriate plant account charged. If the work is abandoned, the charge shall be to account 6299, "Other extraordinary income charges," unless otherwise authorized or directed by the Commission.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to the nature and purpose of the survey, plans or investigations, and the nature and respective amounts of the charges.

NOTE: The amount of preliminary survey and investigation charges transferred to the plant accounts shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to the plant. (See also § 34.03-7.)

§ 34.1940 *Debit balances in clearing accounts.* This account shall include the total of the debit balances in all clearing

accounts except account 9030, "Supply expense—Undistributed." (See also § 34.90-2.)

§ 34.1999 *Other deferred charges.* (a) This account shall include the amount of deferred charges not provided for elsewhere. (See also § 34.03-15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

Long-Term Debt

§ 34.2010 *Bonds actually issued.* (a) This account shall include the face amount of actually issued and unmatured bonds that have not been retired or canceled; also the face amount of such bonds issued by others the payment of which has been assumed by the carrier. (See particularly §§ 34.10-7, 34.10-8, and 34.10-17.)

(b) A separate ledger account, with appropriate title, shall be maintained for each issue or series of long-term debt.

NOTE A: Discount, expense, and premium on bonds shall be accounted for as provided in § 34.10-14.

NOTE B: Matured bonds shall be included in account 2110, "Matured long-term debt."

§ 34.2015 *Bonds reacquired.* (a) This account shall include the face amount of bonds actually issued or assumed by the carrier and reacquired by it and held under conditions that do not permit the carrier to treat such bonds as retired or canceled but do permit their resale. It shall not include securities that are held by trustees of debt-redemption and other funds.

(b) When any issue of bonds, or portion thereof, is reacquired, the acquisition cost of the bonds and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for as provided in § 34.10-14.

(c) When reacquired bonds are sold, the book amount of the bonds shall be credited to this account and the difference between such amount and the amount received from the sale less commissions and expenses incurred in the sale shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate.

(d) A separate subaccount, with appropriate title, shall be maintained for each issue or series of bonds reacquired.

§ 34.2020 *Bonds subscribed—Unissued.* (a) This account shall include the face amount of bonds for which legally enforceable subscriptions have been received but for which evidences of indebtedness have not been issued.

(b) When the amount of each subscription is received and evidences of indebtedness are issued, this account shall be charged and account 2010, "Bonds actually issued," shall be credited with the face amount of such bonds.

(c) Interest that has accrued on the evidences of indebtedness issued to subscribers shall be accounted for through the appropriate interest account.

(d) A separate subaccount, with appropriate title, shall be maintained for

subscriptions to each issue or series of bonds.

§ 34.2025 *Receivers' and trustees' securities.* (a) This account shall include the book amount of evidences of indebtedness issued by receivers or trustees in possession of the property of the carrier and acting under the orders of a court.

(b) A separate subaccount, with appropriate title, shall be maintained for each class and issue or series of securities includible herein.

§ 34.2030 *Advances from affiliates.* (a) This account shall include amounts owed to affiliates on notes maturing more than 1 year from date of issuance or origin and the amount of open accounts representing investment advances from affiliates.

(b) This account shall be subdivided as follows:

2030:01 Notes payable to affiliates.

2030:02 Investment advances from affiliates.

NOTE: Notes and open accounts representing indebtedness to affiliates that are subject to current settlement shall be included in account 2129, "Other payables to affiliates."

§ 34.2099 *Other long-term debt.* (a) This account shall include the amount of all long-term debt not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

Current Liabilities

§ 34.2110 *Matured long-term debt.* This account shall include the amount of long-term debt and receivers' and trustees' securities, including any obligations for premiums, matured and unpaid without specific agreement for extension of maturity. It shall include bonds drawn or called for redemption but not presented.

§ 34.2115 *Customers' deposits.* This account shall include amounts deposited with the carrier by customers as security for the payment of bills. (See also account 2315, "Advances for construction.")

§ 34.2122 *Traffic settlements payable to affiliates.* This account shall include the net amount payable to affiliated carriers in favor of each of which there is a net credit balance in the accounts maintained for traffic settlements. (See particularly paragraph (a) of § 34.31-3.)

§ 34.2129 *Other payables to affiliates.* (a) This account shall include amounts payable to affiliates not provided for elsewhere. (See particularly accounts 2110, 2122, and 2165 to 2180, inclusive.)

(b) This account shall be subdivided as follows:

2129:01 Matured interest payable.

2129:03 Matured rents payable.

2129:04 Current notes payable. (See also account 2099, "Other long-term debt.")

2129:99 Other accounts payable.

(c) In stating the balance sheet there may be included in this account the net amount payable to affiliates in favor of each of which there is a net credit balance between items applicable to a par-

ticular subdivision of this account and the comparable subdivision of account 1749, "Other receivables from affiliates."

§ 34.2131 *Notes payable.* (a) This account shall include amounts payable to persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness payable on demand or not more than 1 year from the date of issuance. (See also paragraph (b) of account 1751, "Notes receivable," and account 2099, "Other long-term debt.")

(b) This account shall be subdivided as follows:

2131:02 Payable to officers and employees.
2131:99 Payable to others.

§ 34.2132 *Traffic settlements payable.* This account shall include the net amount payable to persons other than affiliates in favor of each of which there is a net credit balance in the accounts maintained for traffic settlements. (See particularly paragraph (a) of § 34.31-3.)

§ 34.2133 *Matured interest payable.* (a) This account shall include the amount of interest matured and payable to persons other than affiliates on long-term debt or other obligations of the carrier. (See also account 2165, "Interest accruals.")

(b) The records supporting the entries in this account shall be so maintained as to show separately the rate and amount of interest included herein by reference to the obligation to which the interest relates.

NOTE: Matured interest payable that is not subject to current settlement shall be included in the account in which the principal amount is recorded.

§ 34.2134 *Declared dividends.* (a) This account shall include the amount of dividends that have been declared but not paid.

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock.

§ 34.2135 *Matured rents payable.* This account shall be credited with amounts charged to the income accounts and amounts of clearances from account 2170, "Rent accruals," representing matured rents payable to persons other than affiliates.

§ 34.2139 *Other accounts payable.* This account shall include the amount of unpaid vouchers, pay rolls, and other items including the net amount payable to persons other than affiliates in favor of each of whom there is a net credit balance in the accounts maintained for transactions with such persons other than the transactions includible in accounts 2132 to 2135, inclusive.

§ 34.2155 *Advance billings.* (a) This account shall include the amount of bills rendered for communication service to be furnished in future accounting periods. (See also account 2315, "Advances for construction.")

(b) This account shall be charged and the appropriate operating revenue or asset account shall be credited as the services are rendered or as adjustments are approved.

§ 34.2160 *Installment-plan receipts on purchase of capital stock.* (a) This account shall include the amount of receipts from employees and others, other than on subscriptions, as partial payment on capital stock of the carrier.

(b) When amounts so received equal the agreed purchase price for capital stock, this account shall be charged and account 2410, "Capital stock issued," or account 2415, "Capital stock reacquired," as appropriate, shall be credited with the book amount of such stock. Any discount or premium on original issues shall be included in the appropriate discount and premium account.

(c) When amounts included herein are forfeited by purchasers, this account shall be charged and account 2599, "Other capital surplus," shall be credited with the amounts so forfeited.

(d) When, for any reason, receipts under this plan are refunded to purchasers, this account shall be charged with the amount of such refunds, to the extent that the refunds represent amounts of principal installment receipts.

(e) Any amounts credited to purchasers as interest on installment receipts shall be charged to account 5235, "Other interest charges." Any amount by which refunds on uncompleted purchases fail to equal the amounts received from purchasers shall be charged to this account and credited to account 2599, "Other capital surplus."

(f) This account shall be subdivided as follows:

2160:02 Receipts from officers and employees.
2160:99 Receipts from others.

(Liability accruals)

§ 34.2165 *Interest accruals.* (a) This account shall be credited monthly with amounts charged to accounts 5210, "Interest on long-term debt," 5215, "Interest on indebtedness to affiliates," and 5235, "Other interest charges," representing proportionate amounts, applicable to the period, of interest liabilities that have not matured.

(b) When any item of interest included herein has matured, the amount thereof shall be cleared by a charge to this account and a credit to account 2133, "Matured interest payable," or other appropriate account.

§ 34.2170 *Rent accruals.* (a) This account shall be credited monthly with amounts charged to accounts 4940, "Rent for lease of operated plant," 4243, "Rent for operating offices," 4245, "Rent for other facilities," 4450, "Rent for offices," and 4455, "Other rents," representing proportionate amounts applicable to the period, of rent liabilities that have not matured.

(b) When the obligation with respect to which any item included herein has matured the amount of such item shall be cleared by charges to this account and credits to account 2135, "Matured rents payable," or other appropriate account.

§ 34.2175 *Tax accruals.* (a) This account shall be credited monthly with the amount of taxes considered applicable to the period, and corresponding charges shall be made to the appropriate

accounts. Such credits may be based upon estimates, but from time to time, as the facts become known, the amounts of the periodic credits shall be adjusted so as to include, as nearly as can be determined in each year, the taxes applicable to that year. Any amounts representing a prepayment of taxes applicable to a subsequent period shall be included in account 1820, "Prepaid taxes."

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish information as to the amounts by classes of taxes and taxing authorities, the basis for each tax determination, and the accounts to which charged.

§ 34.2180 *Other accruals.* (a) This account shall be credited with the amounts of accruals not provided for elsewhere.

(b) When the obligation with respect to which any item included herein has matured the amount of such item shall be cleared by charges to this account and credits to the appropriate account according to the nature of the matured item.

§ 34.2199 *Other current liabilities.* (a) This account shall include the amount of current liabilities not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included herein.

Provisions for Future Settlements

(See particularly § 34.10-11)

§ 34.2210 *Provisions for employees' pensions and welfare.* (a) This account shall include specific appropriations of income and the amounts contributed by employees or others (whether carried in special trust funds or in the general funds of the carrier) for pensions, accident and death benefits, savings, relief, hospital, and other provident purposes, when administered by trustees or managers acting for the carrier.

(b) This account shall include also the amount accrued for pensions through charges to account 4435, "Relief and pensions." Amounts so credited shall, when actually paid to retired employees or paid into a trust fund irrevocably devoted to the payment of pensions, be charged hereto.

§ 34.2215 *Provisions for self-carried insurance.* (a) This account shall include provisions to cover self-carried risks for losses through accident, fire, flood, or other causes, other than provisions made in the allowance for depreciation.

(b) Amounts included in this account shall be computed upon a basis of rates which fairly cover the risks incurred. These rates shall be determined according to the carrier's experience and best estimate as to the hazard covered. A schedule of risks covered by this account shall be maintained giving a description of the property or the character of the risks covered.

(c) If the carrier reinsures with insurance companies risks initially covered

in this account, the premiums for such reinsurance shall be charged hereto.

(d) To the extent that losses and damages sustained are covered by this account, an amount equal thereto shall be charged to this account and credited to the accounts appropriate for the losses and damages sustained.

NOTE: All losses and damages sustained, including those covered by commercial insurance or by this account, shall be charged in the first instance to the allowance for depreciation, construction, repair, accidents and damages, or other appropriate account according to the character of the loss. Insurance recovered or amounts chargeable to this account on account of losses and damages sustained shall be credited to the account in which the losses and damages stand charged.

§ 34.2220 *Provisions for equalization of maintenance expenses.* (a) This account shall be credited with such amounts as this Commission may authorize or direct to be charged to account 4198, "Maintenance-expense equalization," under a plan to equalize maintenance expenses.

(b) When maintenance work is performed for which provision has been made in this account, the cost of such work shall be charged to the appropriate maintenance accounts. Concurrently this account shall be charged and account 4198, "Maintenance-expense equalization," shall be credited with an amount equal to the provision for the cost of such maintenance work.

(c) The carrier's application to this Commission for permission to institute an equalization program shall show full details as to the plan of administration of the program, the character of the work to which amounts accrued may subsequently be applied, and the amount of the monthly or annual accruals for equalization purposes.

(d) A separate subaccount, with appropriate title, shall be maintained for each project or program for which provision is made in this account.

§ 34.2225 *Provisions for depreciation and replacement of operated plant leased from others.* (a) This account shall be credited with amounts charged to account 4910, "Depreciation," for currently accruing depreciation of operated plant leased from others when the carrier, as lessee, is required to replace or to restore the condition of such plant and when such amounts are not subject to current reimbursement to the lessor.

(b) This account shall be charged with the cost of leased plant retired and the cost of removal when, under the terms of the lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. It shall be credited with the salvage value and any other amounts recovered from such retired plant. (See also § 34.1-5.)

(c) As at the effective date of this system of accounts, this account shall be credited with such amount as is necessary to record herein the service value of operated plant leased from others that has expired during the periods of effective leasing agreement under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when such amounts are not

subject to current settlement with the lessor. This includes amounts with respect to depreciable operated plant that has been retired during the periods of such agreements and the expired service value of such plant still in the service of the carrier. The amount thus credited shall, unless otherwise authorized by this Commission, be charged to account 6299, "Other extraordinary income charges."

(d) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in § 34.1-6.

(e) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 34.2230 *Leased operated plant retired.* (a) This account shall be credited with the cost of leased operated plant retired when the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. (See also § 34.1-5.)

(b) As at the effective date of this system of accounts, this account shall be credited, and account 2225, "Provisions for depreciation and replacement of operated plant leased from others," shall be charged with the original cost of operated plant leased from others that has been retired since the date of each effective leasing agreement under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when the cost of such replacement or restoration is not subject to current settlement with the lessor.

(c) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in § 34.1-6.

(d) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 34.2299 *Other provisions for future settlements.* (a) This account shall include the amount of provisions for future settlements not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show complete details concerning each item included herein.

DEFERRED CREDITS

§ 34.2310 *Unamortized premium on debt.* This account shall include the total of the credit balances in the long-term debt discount and premium accounts. (See particularly par. (c) of § 34.10-14.)

§ 34.2315 *Advances for construction.* (a) This account shall include the amount of such advances for construction as are to be repaid.

(b) When repayment is made of the entire amount to which the person making the advance is entitled, according to the agreement or rule under which the advance is made, the balance, if any, remaining in this account shall be transferred to account 2515, "Contributions of plant."

(c) This account shall be subdivided as follows:

2315:01 Amounts repayable in full.
2315:02 Amounts repayable in part.

§ 34.2320 *Credit balances in clearing accounts.* This account shall include the total of the credit balances in all clearing accounts except account 9030, "Supply expense—Undistributed." (See also § 34.90-2.)

§ 34.2399 *Other deferred credits.* (a) This account shall include the amount of deferred credits not provided for elsewhere. (See also § 34.03-15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

Capital Stock

§ 34.2410 *Capital stock issued.* (a) This account shall include the book amount of actually issued capital stock. (See particularly §§ 34.10-7, 34.10-8, 34.10-9, 34.10-13, and 34.10-17.)

(b) When any class of capital stock or portion thereof is retired or canceled, this account shall be charged with the amount at which such stock is carried herein.

(c) Separate subaccounts shall be maintained to show the book amount of stock with par value and stock with no par value, classified according to preferences in distribution of dividends or assets, differences in voting rights, and differences in conditions under which they may be retired.

NOTE A: When a levy or assessment (not including a call for payment on subscriptions) is made against holders of capital stock, the amount collected upon such levy or assessment shall be accounted for in accordance with § 34.10-13.

NOTE B: Discount, expense, and premium on capital stock shall be accounted for in accordance with § 34.10-13.

§ 34.2415 *Capital stock reacquired.* (a) This account shall include the book amount of capital stock actually issued by the carrier and reacquired by it, except stock which is held by trustees of debt-redemption and other funds. No-par stock shall be included in this account at the proportionate amount at which the particular class of stock is included in account 2410, "Capital stock issued."

(b) When any class of capital stock or portion thereof is reacquired or retired, the acquisition cost of the stock and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for in accordance with § 34.10-13.

(c) When reacquired capital stock is sold, the book amount of the stock shall be credited to this account and the difference between such amount and the amount received from the sale less commissions and expenses incurred in the sale shall be charged or credited, as appropriate, to account 2599, "Other capital surplus"; provided, however, that charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599. In no event shall charges in excess of accumulated credits from the reacquisition, resale, or retirement of capital stock of the same class be charged to account 2599.

RULES AND REGULATIONS

(d) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock reacquired.

§ 34.2420 *Capital stock subscribed—Unissued.* (a) This account shall include the book amount of capital stock for which legally enforceable subscriptions have been received but for which stock certificates have not been issued. (See also account 2160, "Installment-plan receipts on purchase of capital stock.")

(b) When the amount of each subscription is received and stock certificates are issued, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of such stock.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

§ 34.2425 *Obligations for stock conversion.* (a) This account shall include the book amount of capital stock that the carrier has agreed to exchange for the outstanding securities of other companies which have not been surrendered for exchange. (See particularly § 34.10-8.)

(b) When the securities of the other companies have been surrendered, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of the stock given in exchange.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

Capital Surplus

§ 34.2510 *Premiums and assessments on capital stock.* This account shall include the total of the credit balances in the capital stock discount and premium accounts. (See particularly § 34.10-13.)

§ 34.2515 *Contributions of plant.* (a) This account shall include the amounts of money or its equivalent contributed directly or indirectly to the carrier for the construction or acquisition of plant. (See also paragraph (b) of § 34.1-2.)

(b) The amounts credited to this account shall not be transferred to any other account without the approval of this Commission.

(c) The records supporting the entries in this account shall be so maintained as to show complete information with respect to each contribution, including the amount and purpose, the conditions upon which it was made, and the name of donor.

§ 34.2599 *Other capital surplus.* (a) This account shall include all surplus not classified as earned surplus, as premiums and assessments on capital stock, or as contributions of plant. It shall include credits from sales by the carrier of its reacquired capital stock; surplus arising from the retirement and cancellation, from a reduction of the stated value, and from donations by stockholders, of the carrier's capital stock; surplus arising from forgiveness of debt of the carrier; and surplus recorded upon reorganization or recapitalization of the carrier. (See particularly § 34.10-13 and account 2415, "Capital stock reacquired.")

(b) The records supporting the entries in this account shall be so maintained as to permit a ready analysis of the charges and credits.

Earned Surplus

§ 34.2610 *Contractual reserves.* (a) This account shall include the amount of earned surplus reserved or otherwise set aside in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements. (See also § 34.30-2.)

(b) Separate subaccounts shall be maintained under such titles as will designate the obligation in support of which each reserve recorded hereunder was created.

§ 34.2615 *Reserve against impairment of stated capital.* (a) This account shall be credited with amounts charged to account 8315, "Earned surplus employed in reacquisition of capital stock," as provided in paragraph (g) of § 34.10-7.

(b) Upon resale or retirement of such reacquired stock, this account shall be charged and account 8315, "Earned surplus employed in reacquisition of capital stock," shall be credited.

§ 34.2620 *Miscellaneous reserves.* (a) This account shall include the amount of reservations of earned surplus; not provided for elsewhere.

(b) Separate subaccounts shall be maintained under such titles as will designate the purpose for which each reserve recorded hereunder was created.

§ 34.2699 *Unappropriated earned surplus.* This account shall include the amount of net earned surplus after providing for reservations and appropriations. (See particularly § 34.10-10.)

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

§ 34.1-1 *Purpose and content of operated plant accounts.* (a) The operated plant accounts are designed to show the cost of the carrier's plant having a service life of more than 1 year, whether used by the carrier or others in radiotelegraph service. (Account 1400, "Plant held for future communication use," shall also be classified according to the titles and texts provided for the several operated plant accounts.) (See also § 34.03-8.)

(b) When operated plant ordinarily having a service life of more than 1 year is installed for temporary use in radiotelegraph service, it shall be accounted for in the same manner as other plant having a service life of more than 1 year.

(c) The cost of individual items of work equipment, such as hand and other portable tools that are likely to be lost or stolen, and other items of equipment that have relatively small value (\$10.00 or less) or short life, shall be included in the operated plant accounts only when the investment in such property is relatively large and the correctness of the accounting therefor is verified by the current inventory. When not so verified the cost of such items shall be charged to the operating expense (or clearing) account appropriate for the use of such items.

(d) The cost of plant includible in the following balance-sheet accounts shall be

classified according to the titles and texts of the several plant accounts in the manner indicated by the chart under § 34.1-99, which also shows the method for combining balance-sheet and plant account numbers when it is desired to indicate both the use and the class of plant:

1000 Operated plant in carrier's service.
1100 Operated plant leased to others.
1200 Improvements and replacements of operated plant leased from others.
1400 Plant held for future communication use.

(e) The records supporting the entries in the operated plant accounts shall be so maintained as to show the cost of plant used at each station or city office.

§ 34.1-2 *Accounting for plant acquisitions.* (a) Plant previously in public use contributed to the carrier, or plant constructed by the carrier through expenditures of contributed money or its equivalent, shall be charged to the plant accounts on basis of original cost, and there shall be credited to the allowance for depreciation and allowance for amortization accounts the estimated amounts of depreciation and amortization requirements applicable to the plant at the date of acquisition. Plant not previously in public use contributed to the carrier shall be charged to the plant accounts at its estimated cost new at date of contribution and there shall be credited to the appropriate allowance for depreciation and allowance for amortization accounts the estimated amounts of such requirements applicable to the plant at that date. The difference between the amounts so includible in the plant and the allowance accounts shall be credited to account 2515, "Contributions of plant."

(b) Amounts received for construction which are ultimately to be repaid, wholly or in part, shall be credited to account 2315, "Advances for construction"; when final determination has been made as to the amount to be repaid, any amounts not subject to refund shall be transferred to account 2515, "Contributions of plant."

(c) When property that comprises a substantially complete operating system or operating unit is (or, prior to the effective date of this system of accounts, has been) acquired from predecessors by purchase, merger, consolidation, liquidation, or otherwise, that portion of the acquisition cost applicable to operated plant, plant under construction, and plant held for future communication use shall be charged to account 91, "Plant acquired—Undistributed charges."

(d) The accounting for the acquisition of such plant shall then be completed as follows:

(1) The original cost of such plant shall be charged to the plant accounts and account 1300, "Plant under construction," as appropriate, and credited to account 91, "Plant acquired—Undistributed charges." When the actual original cost cannot be determined and estimates are used, the carrier shall maintain records to show the particulars of such estimates.

(2) The required allowances for depreciation and amortization of such plant at date of acquisition shall be credited to accounts 1515, "Allowance for depreciation—Radiotelegraph plant," and

1520, "Allowance for amortization—Radiotelegraph plant," respectively and charged to account 91, "Plant acquired—Undistributed charges."

(3) The amount remaining in account 91, "Plant acquired—Undistributed charges," applicable to such plant, upon the completion of the entries provided in the foregoing paragraphs (1) and (2), shall be transferred to account 1510, "Plant acquisition adjustments," except that, when any amount thus transferable to account 1510 applies to duplicate or other plant which is intended to be retired by the carrier in the reconstruction of the acquired plant and its consolidation with previously owned plant, a statement indicating the plan of the accounting proposed for the entire amount applicable to such plant shall be submitted for consideration and approval by this Commission.

(e) The accounting for radiotelegraph plant acquired from predecessors not provided for in paragraphs (c) and (d) hereof shall be upon basis of acquisition cost to the carrier.

(f) A memorandum record shall be kept of the amount of contributions applicable to the plant acquired as shown by the accounts of the previous owner.

(g) Copies of journal entries recording the acquisition of (1) substantially complete operating systems, (2) substantially complete operating units, or (3) other plant (when the consideration paid for such other plant is \$25,000 or more), and of the entries clearing the amounts originally charged to account 91, "Plant acquired—undistributed charges," shall be submitted within 90 days from the respective dates of such original and clearing entries for consideration and approval by the Commission. The text of such entries shall give a complete description of the plant acquired and the bases upon which the amounts of the entries have been determined.

(h) In connection with the acquisition of substantially complete operating systems or operating units, the carrier shall procure from the grantor (and the grantor shall deliver) all existing records relating to the property acquired, or certified copies thereof.

(i) If the acquisition involves construction by the accounting carrier, the provisions of § 34.1-3 and § 34.1-4 shall be observed.

NOTE: The cost of valuations, inventories, and appraisals taken in connection with the contemplated acquisition of plant shall be charged to account 1935, "Preliminary survey and investigation charges." If the plant is acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition. If the contemplated acquisition is abandoned, such costs including options paid, shall be charged to account 6299, "Other extraordinary income charges."

§ 34.1-3 *Components of construction cost.* (a) The cost of construction properly includible in the plant accounts shall include the applicable direct and overhead costs, listed and described in paragraph (c) of this section and in § 34.1-4 and other analogous items in connection with such work.

(b) When a part only of a project is placed in operation or is completed ready for service and the construction work as

a whole is incomplete, that part of the plant placed in operation or ready for service shall be accounted for as completed.

(c) The following is a description of the principal components of construction costs:

(1) The pay and the expenses in lieu of wages of employees engaged in construction work, including the pay and expenses of foremen and inspectors in charge thereof.

(2) The purchase price at the point of free delivery of material and supplies, plus customs duties and excise taxes; the cost of inspection and handling; transportation to first point of delivery to the carrier; an equitable portion of supply expense; the total cost of fabricated material from the carrier's shop; the book cost of reusable material; and the cost of tools consumed on a project.

NOTE: In determining the cost of material used, proper allowance shall be made for unused material and supplies, material recovered from temporary arrangements used in performing the work, salvage value of tools released from the project, and cash and other discounts realized in the purchase of material and supplies.

(3) The cost of transporting employees, material and supplies, tools, and work equipment not under its own power. Transportation of material and supplies includes transportation from point of first delivery to point of use. It includes amounts paid to others as well as the cost of operating the carrier's own transportation equipment.

(4) The cost of protecting the carrier's property from fire or other casualties and the cost of preventing injury to others and damage to the property of others.

(5) Expenditures or losses on account of injuries to persons and damages to the property of others. (See also accounts 4430, "Injuries and damages," and 4435, "Relief and pensions.")

(6) Payments for and expenses incurred in securing temporary privileges, permits, or rights in connection with construction work, such as for the use of private or public property, streets, or highways.

(7) Taxes on physical property during construction and before the facilities are completed ready for service, assessed separately from taxes on operating property or under conditions which permit separate identification or allocation of the amount chargeable to construction; also the portion applicable to construction costs of taxes imposed under the Social Security Act and similar State statutes.

(8) The net cost of borrowed funds used for construction purposes and a reasonable rate upon the carrier's own funds when so used. Such amounts shall be charged to the individual project upon which the funds are expended and shall be credited to account 5225, "Interest charged to construction—Cr." The period for which interest may be included in the cost of construction shall be limited to the duration of the construction work. In case construction work is suspended, interest covering a period of more than 6 months from the date of such suspension shall not be included in

the cost of construction except when authorized by this Commission. No interest costs for projects that have been abandoned shall be included in these accounts.

(9) Premiums paid or amounts provided as self-insurance for protection against loss and damage by fire and other casualties, injury to or death of employees or others, damage to property of others, defalcation of employees and agents, nonperformance of contractual obligations of others, and the cost of workmen's compensation or similar insurance.

(10) The cost of telephone, water, electricity, power, office space, equipment, and in an analogous item allocable to the construction project; also similar items furnished by the carrier through its regular operating facilities.

(11) The pay and expenses of operators and helpers required for machine operation, material and supplies consumed, depreciation, and other expenses incurred in the maintenance, operation, and use of special machines such as steam shovels, pile drivers, and other labor-saving machines; also expenditures for rental, maintenance, and operation of such machines owned by others. When a particular construction project requires the purchase of special machines, the cost thereof, less the appraised or salvage value at the time of release from the project, shall be included in this component.

(12) The applicable portion of the pay and of the office and other expenses of the carrier's engineers and their staffs responsible primarily for technical features of construction work.

(13) Amounts paid to other companies, firms, or individuals engaged by the carrier to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work. A copy of the agreement or arrangement under which such services are rendered shall be preserved by the carrier.

(14) An equitable portion of the pay and of the office and other expenses of the general officers and their staffs. Such amounts shall be determined in accordance with § 34.03-17.

(15) Amounts paid for work performed under contract by other persons. Costs incident to the award of such contracts, to the inspection of such work, and to any other work of any character performed by the carrier in connection with a contract-work project shall be included in the component of construction cost appropriate for the character of the service performed or the expense incurred.

(16) Any incidental revenues received or earned during the construction period, less the costs incident to producing the earnings, shall be credited to the cost of construction.

§ 34.1-4 *Overhead construction costs.*

(a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the carrier, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be

charged to particular projects or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each project or unit shall bear its equitable portion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the unit of plant is retired.

(b) The records supporting the entries for overhead construction costs shall be so maintained as to show the nature of the expenditures, the individual projects and accounts charged, and the bases of the distribution of such costs.

(c) The instructions contained herein shall not be interpreted as permitting the inclusion in the operated plant accounts of arbitrary amounts to cover assumed overhead costs, but as requiring the assignment to particular projects and accounts of actual and reasonable overhead costs.

§ 34.1-5 *Improvements and replacements of operated plant leased from others.* (a) Except as provided in paragraphs (b) and (c) of this section, the cost of initial improvements (including repairs, rearrangements, and additions) to operated plant leased from others, made in the course of preparing the plant for service and the cost of any subsequent additions to and replacements of the leased plant, shall be charged to the operated plant accounts appropriate for the class of plant leased. (See also § 34.1-2.)

(b) When, under the terms of a leasing agreement, the carrier, as lessee, is required to make specific improvements to leased plant, and such improvements revert to the lessor and constitute a part of the consideration paid for use of the plant, the cost of such improvements shall be charged by the lessee to account 1815, "Prepaid rents," and amortized over the life of the lease to the appropriate rent account. Such portion of the cost of the improvements as represents additions to the leased plant shall be charged by the lessor (if a radiotelegraph carrier) to the appropriate plant accounts and credited to an appropriate subaccount under account 2399, "Other deferred credits." Amounts thus credited to account 2399 shall be amortized over the life of the lease to the appropriate rent account.

(c) When improvements to leased plant otherwise chargeable to the plant accounts are of relatively minor cost or short life, or the period of the lease is not more than 1 year, the cost thereof shall be charged to the accounts appropriate for the cost of repairs of such plant.

(d) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, depreciation charges on such original plant shall be computed on the same basis as for owned depreciable plant. Such amounts shall be charged to account 4910, "Depreciation," and (if not subject to current settlement with the lessor) credited to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." (See also § 34.04-3.)

(e) When, under the terms of a lease, the carrier, as lessee, is required to re-

place or to restore the condition of plant leased from others, the cost of leased plant retired by the lessee shall be credited to account 2230, "Leased operated plant retired." Such amount, together with the cost of removal, shall be charged, and the salvage value and any other amounts recovered shall be credited to account 2225, "Provisions for depreciation and replacement of operated plant leased from others."

(f) The accounting for the retirement of improvements and replacements of leased plant made by the lessee shall be as provided in § 34.1-6.

(g) Upon termination of a lease and surrender of the plant to the lessor, the accounting by the lessor (if a radiotelegraph carrier) for improvements and replacements of the leased plant which were made by the lessee shall be as follows:

The plant accounts shall be so adjusted as to include the original cost of the plant returned at the termination of the lease, including the original cost of improvements and replacements made by the lessee, and (as so adjusted) appropriately classified in conformity with § 34.1-2. Account 1515, "Allowance for depreciation—Radiotelegraph plant," and account 1520, "Allowance for amortization—Radiotelegraph plant," shall be so adjusted as to include the required allowances for depreciation and amortization of such plant. The difference between (1) the net amount of the foregoing adjustments, and (2) the amount of any settlement with the lessee with respect to such plant, shall be charged to account 1999, "Other deferred charges," or credited to account 2399, "Other deferred credits," as appropriate. The amounts recorded in account 1999 or account 2399 with respect to each leasing agreement shall be disposed of in such manner as this Commission may approve or direct.

(h) Each carrier, as lessee, shall maintain memorandum accounts entirely independent of these accounts in which are recorded the cost, and related allowances, of plant placed under its exclusive control by a leasing agreement, and subsequent retirements of such plant while under the control of the carrier. Separate memorandum accounts shall be maintained for each leasing agreement. The records supporting the memorandum accounts shall be maintained in the same manner and detail as for owned operated plant.

§ 34.1-6 *Operated plant retired.* (a) To the end that the operated plant accounts shall at all times disclose the cost of plant in service, the cost of retired plant whether replaced or not (except as provided in paragraph (b) (2) of this section), shall be credited to the account or accounts prescribed in this system of accounts to which such cost was charged. Every carrier shall take such measures and establish such procedure as will insure strict compliance with these requirements. When any item of plant is retired from service for any reason, the amount in the plant accounts applicable to that item shall be credited thereto and the retirement entry shall cite the original entry of cost of the item retired, by name and page of, or other definite iden-

tification of, book or other record in which maintained; except that when such entry cannot be identified or is not available, that fact shall be stated in the retirement entry. The records supporting retirement entries shall show also the aggregate quantity, in units of measure ordinarily used by the carrier, of each retirement unit retired. (See § 34.1-6-1.)

(b) *Depreciable operated plant:* For the purpose of avoiding undue refinement, the accounting for retirements and replacements of depreciable operated plant shall be as follows:

(1) *Retirement units.* The cost of any unit retired (whether replaced or not) shall be credited to the appropriate plant account. Except as provided in paragraphs (e) and (f) of this section, the entire amount of such cost shall be charged to account 1515, "Allowance for depreciation—Radiotelegraph plant." (See also the text of that account.) The cost of plant installed in place of the plant retired shall be charged to the appropriate plant accounts.

(2) *Minor items.* Any minor item of plant retired and not replaced shall be accounted for as if it were a retirement unit except that, if the cost of a minor item of plant is accounted for through the retirement of a unit, no separate credit to the plant account is required when such an item is retired. If a minor item of plant is retired and replaced apart from the retirement unit of which it forms a part or with which it is associated, no adjustment shall be made in account 1515, "Allowance for depreciation—Radiotelegraph plant." The cost of the replacement shall be charged to the account appropriate for the cost of maintenance of the plant, except that, if the replacement effects a substantial betterment (the primary aim of which is to make the plant affected more useful, of greater durability, of greater capacity, or more economical in operation), the excess cost in place of the item installed over the cost of the item retired shall be charged to the appropriate plant account.

(c) *Land:* The cost of land retired shall be credited to account 11, "Land." If the land is sold, the difference between the cost of the land and the consideration received less commissions and other expenses of making the sale, shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate. If the land is retained by the carrier, its estimated fair value, not in excess of cost, shall be charged to account 1610, "Miscellaneous physical property." The difference, if any, between the amount credited to the plant account and the amount charged to account 1610 shall be charged to account 6299, "Other extraordinary income charges." (See also § 34.1-7.)

(d) *Intangibles:* The accounting for franchises, patent rights, leaseholds, and other intangibles retired shall be as provided in the text of account 1520, "Allowance for amortization—Radiotelegraph plant."

(e) When operated plant is sold with the associated traffic, the cost of such plant shall be credited to the appropriate plant accounts and the amounts

carried with respect thereto in the depreciation and amortization allowance accounts shall be charged to such allowance accounts. The difference between (1) the net of such charges and credits and (2) the consideration received less commissions and other expenses of making the sale shall be charged to account 6299, "Other extraordinary income charges," or credited to account 6199, "Other extraordinary income credits," as appropriate. The accounting for depreciable operated plant sold without the associated traffic shall be as provided in paragraph (b) of this section and account 1515, "Allowance for depreciation—Radiotelegraph plant."

(f) Upon termination of a lease and transfer of the plant to the lessor, the cost of improvements and replacements made by the lessee to plant leased from others shall be credited to the plant accounts of the lessee in which they stand charged. The amounts applicable to such plant in account 1515, "Allowance for depreciation—Radiotelegraph plant," and account 1520, "Allowance for amortization—Radiotelegraph plant," shall be cleared from such allowance accounts. The difference between the amounts of the foregoing charges and credits shall be charged or credited, as appropriate, to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." The amount of any settlement with the lessor with respect to such plant shall be charged or credited, as appropriate, to account 2225. The balances in account 2225, and account 2230, "Leased operated plant retired," with respect to each such expired lease shall, upon completion of the foregoing entries, be disposed of in such manner as this Commission may approve or direct.

(g) If, after performing the accounting provided in the foregoing paragraphs of this section and in § 34.04-3, a credit balance remains, because of underestimating net salvage value or for any other reason, in the portion of any depreciation or amortization allowance account assignable to the plant retired, the portion of such balance applicable to the calendar year in which the plant is retired shall be charged to that allowance account and credited to the operating revenue-deduction or other account originally charged with the estimated amount of current depreciation. The remainder of such balance shall be cleared from the allowance account as provided in § 34.03-13.

NOTE A: The cost of valuations, inventories, and appraisals taken in connection with the contemplated sale of plant shall be charged to account 1935, "Preliminary survey and investigation charges." If the plant is sold, the preliminary costs shall be deducted from the sale price in accounting for the plant sold. If the contemplated sale is abandoned, such costs shall be charged to account 6299, "Other extraordinary income charges."

NOTE B: When the retirement of operated plant consisting of a complete operating unit or system or having a book cost of \$25,000 or more is occasioned by a sale, all transactions relating thereto shall be initially recorded in account 92, "Plant sold—Undistributed credits."

§ 34.1-7 *Transfers of plant.* (a) When plant is transferred from one class of communication service to another, the transfer shall be accounted for by transferring the book cost thereof to the appropriate accounts, and likewise any related amounts in the allowance for depreciation and allowance for amortization accounts shall be transferred to the appropriate allowance accounts.

(b) When depreciable operated plant is transferred to noncarrier operations, the transfer shall be accounted for by crediting the appropriate plant accounts and charging account 1515, "Allowance for depreciation—Radiotelegraph plant," with the cost of the plant transferred. Account 1515 shall then be credited and account 1610, "Miscellaneous physical property," shall be charged with the estimated fair value, not in excess of cost, of the plant transferred.

§ 34.1-8 *Continuous property-record required.* (a) Not later than January 1, 1940, each carrier shall begin the preparation of a continuous property-record relating to property of the classes represented in the balance-sheet accounts under the caption "Communication plant," and in account 1610, "Miscellaneous physical property." The record shall be completed not later than June 30, 1942, with respect to property as at December 31, 1939, and with respect to the changes effected therein between the dates of January 1, 1940, and December 31, 1941, provided, however, that such data shall not be used by the carrier in its permanent records until the approval by this Commission of

a plan (and list of property units) and other details of a continuous property-record procedure submitted in compliance with the provisions of paragraph (b) of this section.

(b) Not later than June 30, 1940, each carrier shall submit to this Commission for consideration and approval a complete plan of the methods to be used in the compilation of the continuous property record, the installation and maintenance of which are prescribed in paragraph (a) of this section. The plan shall include a list of the property units proposed for use, classified to conform with the operated plant accounts prescribed in this system of accounts, and include material lists for assemblies, together with the quantity-unit designation applicable to each property unit and to the integral or associated parts thereof. A narrative statement shall accompany the lists of proposed units, describing in detail the content and method of maintenance of all forms and other records which are designed for use in compiling the continuous property-record, to the end that a ready analysis with respect to the sufficiency thereof may be made.

(c) The record shall be arranged in conformity with the operated plant accounts prescribed in this system of accounts. It shall be compiled on basis of original cost and shall contain such detailed description and classification of the property units as will permit of ready verification.

§ 34.1-99 *Contemplated form of plant statement.* (See § 34.03-9.)

RADIOTELEGRAPH PLANT

Account No.	Particulars	Operated plant			Plant held for future communication use (1400)	Total
		In carrier's service (1000)	Leased to others (1100)	Leased from others—Improvements and replacements (1200)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>Real estate</i>					
11	Land	(1)	\$	\$	\$	\$
12	Land improvements	\$				
13	Drainage, sewerage, gas, and water systems					
14	Buildings					
	Total	\$	\$	\$	\$	\$
	<i>Fixed and land station aerial systems and lines</i>					
21	Towers and masts	\$	(2)	\$	\$	\$
22	Antenna systems					
26	Control lines					
27	Power-supply lines					
	Total	\$	\$	\$	\$	\$
	<i>Fixed and land station transmission equipment</i>					
31	Electron-tube transmitter equipment	\$	\$	(3)	\$	\$
32	Other transmitter equipment					
33	Cooling apparatus					
34	Receiver equipment				(4)	
36	Power supply and distribution equipment					
40	Control apparatus					
41	Equipment on customers' premises					
	Total	\$	\$	\$	\$	\$
	<i>Furniture and office equipment</i>					
51	Furniture and office equipment	\$	\$	\$	\$	\$

1 2 3 4 The accounts represented, if appropriate, at the 4 respective points bearing these symbols shall be numbered, for example, 1011, 1121, 1232, and 1434, respectively.

RADIOTELEGRAPH PLANT—Continued

Account No.	Particulars	Operated plant			Plant held for future communication use (1400)	Total
		In carrier's service (1000)	Leased to others (1100)	Leased from others—Improvements and replacements (1200)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>Mobile station equipment</i>					
61	Ship station equipment.....	\$.....	\$.....	\$.....	\$.....	\$.....
69	Other mobile station equipment.....	\$.....	\$.....	\$.....	\$.....	\$.....
	Total.....	\$.....	\$.....	\$.....	\$.....	\$.....
	<i>Work equipment</i>					
71	Vehicles and draft animals.....	\$.....	\$.....	\$.....	\$.....	\$.....
72	Shop equipment, tools, and implements.....	\$.....	\$.....	\$.....	\$.....	\$.....
73	Store and warehouse equipment.....	\$.....	\$.....	\$.....	\$.....	\$.....
	Total.....	\$.....	\$.....	\$.....	\$.....	\$.....
	<i>Intangibles</i>					
81	Organization.....	\$.....	\$.....	\$.....	\$.....	\$.....
82	Franchises.....	\$.....	\$.....	\$.....	\$.....	\$.....
83	Patent rights.....	\$.....	\$.....	\$.....	\$.....	\$.....
84	Leaseholds.....	\$.....	\$.....	\$.....	\$.....	\$.....
89	Other intangibles.....	\$.....	\$.....	\$.....	\$.....	\$.....
	Total.....	\$.....	\$.....	\$.....	\$.....	\$.....
	Total classified plant.....	\$.....	\$.....	\$.....	\$.....	\$.....
91	Add: Plant acquired—Undistributed charges.....	\$.....	\$.....	\$.....	\$.....	\$.....
		\$.....	\$.....	\$.....	\$.....	\$.....
92	Deduct: Plant sold—Undistributed credits.....	\$.....	\$.....	\$.....	\$.....	\$.....
	Total radiotelegraph plant.....	\$.....	\$.....	\$.....	\$.....	\$.....

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Real Estate

§ 34.11 *Land.* (a) This account shall include the cost of land used in radiotelegraph service. (See also account 84, "Leaseholds.")

(b) When improved land is acquired, the cost shall be fairly apportioned among the land, the land improvements, the drainage, sewerage, gas, and water systems, and the buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land, and the amount of salvage recovered from the property removed shall be deducted from the cost of the land.

ITEMS

(See § 34.03-12)

Assessments for the construction of public improvements. (See also note B to this account.)

Clearing or defending title against claims relating to a period prior to the purchase. Commissions and fees to brokers, agents, and others.

Condemnation proceedings, including court costs and special counsel fees.

Conveyancer and notarial fees.

Examination and registration of titles.

Relocating property of others in the acquisition of such land.

Taxes assumed on land, applicable to a period prior to the date of acquisition.

Voiding leases to secure possession of land acquired.

NOTE A: When land is acquired in excess of that required for radiotelegraph purposes or is acquired without a definite plan for its use in communication service, its cost shall

be charged to account 1610, "Miscellaneous physical property."

NOTE B: Installments of assessments for public improvements, including interest, that are deferred without option to the carrier shall be included in this account, only as they become due and payable. Interest on assessments that are not paid when due shall be included in account 5235, "Other interest charges."

§ 34.12 *Land improvements.* This account shall include the cost of improvements made or acquired by the carrier on land used in radiotelegraph service. (See also accounts 11, "Land," 13, "Drainage, sewerage, gas, and water systems," and 14, "Buildings.")

ITEMS

(See § 34.03-12)

Fences.

Hedges.

Lawns.

Retaining walls. (See also account 14, "Buildings.")

Roads.

Sidewalks.

Swimming pools (outdoor).

Tennis courts.

Yard lighting equipment.

§ 34.13 *Drainage, sewerage, gas, and water systems.* (a) This account shall include the cost of drainage, sewerage, gas, and water systems used in radiotelegraph service. (See also account 11, "Land.")

(b) This account shall include also the cost of shelters used only for housing machinery used in connection with the operation of drainage, sewerage, gas, and water systems.

ITEMS

(See § 34.03-12)

Basins.

Hydrants.

Machinery used only for the operation of these systems.

Manholes and handholes.

Piping.
Reservoirs.
Tanks—septic, water.
Tiling.
Wells.

NOTE: This account shall not include the cost of piping or equipment located within and serving only one building includible in account 14, "Buildings."

§ 34.14 *Buildings.* This account shall include the cost of buildings, not specifically includible in other accounts, used in radiotelegraph service, and the cost of permanent fixtures, machinery, appurtenances, and appliances installed as parts thereof. (See also account 11, "Land.")

ITEMS

(See § 34.03-12)

Awnings.

Boilers, furnaces, fixtures, and machinery for heating, lighting, and ventilating.

Cable vaults and conduits constructed as part of the building.

Commissions and fees to brokers, agents, architects, and others.

Door checks and door stops.

Drainage and sewerage, inside piping and equipment. (See also account 13, "Drainage, sewerage, gas, and water systems.")

Electric shielding.

Electric wiring.

Elevators.

Fire-extinguisher systems.

Garages, shops, and stables.

General and other office buildings.

Grading, excavating, and preparing grounds for buildings, including clearing of grounds after construction.

Ground systems (installed with buildings). Improvements to leased buildings. (See particularly § 34.1-5.)

Linoleum and similar floor coverings, excluding carpets and rugs.

Motors and generators.

Partitions, including movable.

Piers and foundations for machinery constructed as a permanent part of a building. Platforms, storage or loading.

Refrigeration systems.

Retaining walls (erected in connection with buildings).

Screens, door and window.

Sheds.

Signs—permanent, attached to buildings.

Sprinkling systems.

Storm doors and windows.

Taxes assumed on buildings, applicable to the period prior to the date of acquisition.

Voiding leases to secure possession of buildings acquired.

Water, steam, and gas pipes.

Window shades and ventilators.

NOTE A: This account shall not include the cost of any equipment, apparatus, or wiring for generating or controlling electricity for operation of the communication system.

NOTE B: The cost of shelters used exclusively for housing drainage, sewerage, gas, and water systems, tuning coils, power supply equipment, or sleet-melting installations shall be included in accounts 13, "Drainage, sewerage, gas, and water systems," 22, "Antenna systems," or account 36, "Power supply and distribution equipment," as appropriate.

Fixed and Land Station Aerial Systems and Lines

§ 34.21 *Towers and masts.* This account shall include the cost of towers and masts (including pole-type masts) and other antenna-supporting structures and special fixtures used in radiotelegraph service; also the cost of beacon lights and their accessories.

ITEMS

(See § 34.03-12)

Anchors.
Bolts, nuts, and braces.
Cost of initial clearing of area prior to construction.
Excavation.
Foundations.
Grading.
Guys.
Halyards—permanent.
Insulated bases.
Permits and privileges for construction. (See particularly par. (c) (6) of § 34.1-3.)
Steel plates and angles.
Topmasts.
Tower or mast ground systems for protection against lightning.
Tower lighting systems.

§ 34.22 *Antenna systems.* This account shall include the cost of aerial wire and accessory items comprising the antenna systems used in radiotelegraph service, including the associated ground and counterpoise systems, radio-frequency transmission lines, tuning coils, and sleet-melting installations.

ITEMS

(See § 34.03-12)

(Aerial assemblies or arrays)

Anchors.
Bridle rings and wire.
Insulators and thimbles.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 34.1-3.)
Spreaders.
Switches.
Transposition brackets.
Wire and cable (aerial).

(Ground or counterpoise systems)

Clamps and rods.
Counterpoise supports.
Insulators and thimbles.
Plates and pipes.
Protectors and arresters.
Tie wires.
Wire and cable (ground).

(Radio-frequency transmission lines)

Anchors.
Bolts, nuts, and brackets.
Clearing routes and tree trimming prior to construction.
Guy clamps.
Guy wire or strand.
Harmonic tuning traps.
Insulators.
Lightning arresters.
Permits and privileges for construction. (See particularly par. (c) (6) of § 34.1-3.)
Pins.
Poles.
Wire.

(Tuning and uncoupling coils)

Bases.
Busses.
Coils.
Foundations.
Houses or shelters for coils.
Switches.

(Sleet-melting installations)

Cables, conduits, and wires.
Circuit breakers.
Meters.
Panels.
Power boards.
Power-supply cables.
Shelters, housings, and platforms.
Switches.
Transformers.

NOTE A: The cost of ground systems installed with buildings shall be included in account 14, "Buildings."

NOTE B: The cost of loop or rod antennas which are integral with or essentially a part of receivers, field strength measuring sets, automobiles, or other similar devices or vehicles should not be included in this account.

§ 34.26 *Control lines.* This account shall include the cost of wire, cable, conduit, pole lines, and associated equipment used in radiotelegraph service for intercommunicating, dispatching, originating, terminating, tie lines to customers' premises, and other control purposes.

ITEMS

(See § 34.03-12)

Anchors.
Braces and brackets.
Cables.
Clearing routes and tree trimming, except maintenance of previous clearings.
Conduits.
Crossarms.
Ducts.
Field telephone systems.
Guys.
Insulators.
Manholes and handholes.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 34.1-3.)
Poles.
Protectors and arresters.
Tie wires.
Wire.

NOTE A: The cost of interior wiring shall be included in the account appropriate for the cost of plant with which it is associated.

NOTE B: The amounts of payments made to other persons for extending their lines to the carrier's station or office, when such facilities remain the property of such other persons, and when the amounts paid are not subject to rebate, shall be included in account 89, "Other Intangibles."

§ 34.27 *Power-supply lines.* (a) This account shall include the cost of wire, cable, conduit, pole lines, and associated equipment used in the transmission of power for the carrier's radiotelegraph service.

(b) This account shall include the cost of lines from the point of connection with the primary source of power to the point of termination in the main power-supply switchboard, fuse panel, or distribution box.

ITEMS

(See § 34.03-12)

Anchors.
Braces and brackets.
Cable.
Clearing routes and tree trimming, except maintenance of previous clearings.
Conduits.
Crossarms.
Ducts.
Guys.
Insulators.
Lightning arresters.
Manholes and handholes.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 34.1-3.)
Poles.
Tie wires.
Wire.

NOTE: The amounts of payments made to other persons for extending their lines to the carrier's station or office, when such facilities remain the property of such other persons, and when the amounts paid are not subject to rebate, shall be included in account 89, "Other Intangibles."

Fixed Land and Station Transmission Equipment

§ 34.31 *Electron-tube transmitter equipment.* This account shall include

the cost of electron-tube transmitters and associated transmitter equipment used in radiotelegraph service. (See accounts 22, "Antenna system," 26, "Control lines," 36, "Power supply and distribution equipment," and 40, "Control apparatus.")

ITEMS

(See § 34.03-12)

Air ducts and oil coolers.
Amplifiers—power, audio.
Antenna coupling devices (inside).
Circulating pumps and blowers.
Crystal oscillators.
Electron tubes. (See § 34.41-7.)
Exciters and drivers.
Filament motor generators.
Meters (permanently installed).
Rectifiers (if a part of the transmitter).
Steel mesh partitions.
Transmitter control panels.
Voltage regulators.

§ 34.32 *Other transmitter equipment.* This account shall include the cost of alternators, spark transmitters, arc transmitters, and other transmitters the cost of which is not includible in account 31, "Electron-tube transmitter equipment," and accessory equipment used exclusively in connection with such transmitters in radiotelegraph service.

ITEMS

(See § 34.03-12)

Amplifiers.
Coils—induction and saturation.
Compressors.
Condensers.
Converters.
Electron tubes. (See § 34.41-7.)
Foundations.
Meters (permanently installed).
Motor generators.
Motors.
Oil filtering systems.
Panels.
Pumps.
Resistance grids.
Rheostats.
Steel mesh partitions.
Switchboards.
Switches.
Transformers.
Wiring.

§ 34.33 *Cooling apparatus.* This account shall include the cost of cooling towers and ponds and other apparatus for cooling transmitter and power supply equipment used in radiotelegraph service. (See also account 13, "Drainage, sewerage, gas, and water systems.")

ITEMS

(See § 34.03-12)

Air ducts.
Blowers.
Brine tanks.
Connecting pipes.
Cooling ponds.
Cooling towers.
Fans.
Meters.
Pumps.
Radiators.
Sumps.
Water storage tanks.

NOTE: The cost of cooling apparatus that forms an integral part of transmitter or power supply equipment shall be included in accounts 31, "Electron-tube transmitter equipment," 32, "Other transmitter equipment," or 36, "Power supply and distribution equipment," as appropriate.

§ 34.34 *Receiver equipment.* This account shall include the cost of receivers and associated receiver equipment used in radiotelegraph service.

ITEMS

(See § 34.03-12)

Amplifiers.
Control units.
Converters.
Diversity and other equipment racks.
Electron tubes. (See § 34.41-7.)
Filters.
Meters (permanently installed).
Oscillators.
Resistors.
Switch and control panels.
Tables, pedestals, and other supports (permanently attached).
Tone keys.
Transformers.
Tuners.

§ 34.36 *Power supply and distribution equipment.* (a) This account shall include the cost of all power supply and distribution equipment serving as or associated with the prime source of power used in radiotelegraph service.

(b) This account shall include also the cost of power rectifiers or motor generator installations (not forming an integral part of a transmitter) that are provided as a common source of power for a multiplicity of transmitters or other equipment. (See also account 31, "Electron-tube transmitter equipment," and account 32, "Other transmitter equipment.")

(c) This account shall include also the cost of storage battery equipment used in radiotelegraph service for the purpose of supplying main, emergency, or auxiliary power.

ITEMS

(See § 34.03-12)

(Other than storage battery equipment)

Alternators.
Armatures.
Circuit breakers.
Compensators.
Control panels.
Electron tubes. (See § 34.41-7.)
Fuse panels.
Generators.
Indicators.
Meters.
Motors.
Power factor correction capacitors.
Rectifiers.
Shelters or housings.
Starters.
Switchboards.
Transformers.

(Storage battery equipment)

Batteries.
Battery cases and racks.
Battery room connections.
Charging equipment.
Shelters and housings.
Switching equipment used exclusively for storage batteries.
Tanks and tank insulators.

NOTE A: The cost of lines leading from the main power switchboard, fuse panels, or distribution boxes to the power-supply lines, shall be included in account 27, "Power-supply lines."

NOTE B: The cost of dry cells shall be charged to the appropriate operating expense account.

§ 34.40 *Control apparatus.* (a) This account shall include the cost of telephone, telegraph, and other control ap-

paratus, and associated interior wiring, in transmitting and receiving stations and in city or control offices, used for intercommunicating, dispatching, originating, terminating, and other control purposes in radiotelegraph service.

(b) This account shall include also the cost of frequency-measuring installations used for control purposes by the carrier or in the rendition of a commercial frequency-measuring service for others.

(c) This account shall include also the cost of photogram, facsimile, television, and similar equipment, not includible in other accounts, used in radiotelegraph service.

ITEMS

(See § 34.03-12)

(Frequency-measuring equipment)

Equipment racks.
Filament and plate supply regulators.
Frequency meters.
Frequency standard check equipment.
Frequency standards.
Harmonic generators and amplifiers.
Multivibrator units.
Oscillator units.
Pedestals and foundations.
Radio receivers.
Special rooms designed for frequency measuring.
Synchronous clocks and amplifiers.
Time signal recorders and comparators.

(Message transmitting and receiving apparatus)

Automatic transmitters.
Desks or tables fitted with apparatus or used as mountings for apparatus.
Error detectors.
Facsimile machines.
Ink recorders and undulators.
Photoradio operating tables, receiving recorders, scanner units, and transmitting and receiving machines.
Printers—keyboard, page, or tape.
Tape pullers and tape perforators.
Time stamps.
Teletypewriters.
Typewriters, traffic.
Water copy wringers or presses.

(Message-conveyor equipment)

Conveyor belts.
Metal chutes.
Pneumatic tubes and associated equipment.
(Calling and order-dispatching equipment)
Annunciator systems.
Microphone and loud speaker equipment.
Public address equipment.
Registers and call boxes.
Telaugraph equipment.

(Terminal equipment)

Amplifiers and associated equipment.
Control or switching equipment.
Electron tubes. (See § 34.41-7.)
Filters and filter racks.
Fuse, lamp, and mixer panels.
Microphone equipment.
Modulators.
Mountings for line terminal equipment.
Photoradio facsimile and multiplex terminals.
Radio transmitter frequency control equipment.
Relay test panels.
Tone generating equipment.
Volume indicators.

(Monitoring equipment)

Loud speakers.
Monitor receivers and recorders.
Multiple pen recorders.
Telephone head sets, hand sets, and breast sets.

NOTE A: The cost of outside wiring shall be included in account 26, "Control lines."

NOTE B: The amounts of payments made to other persons for extending their lines (such as pneumatic tube lines) to the carrier's station or office, when such facilities remain the property of such other persons, and when the amounts paid are not subject to rebate, shall be included in account 89, "Other intangibles."

NOTE C: The cost of equipment installed on customers' premises shall be included in account 41, "Equipment on customers' premises."

§ 34.41 *Equipment on customers' premises.* (a) This account shall include the cost of equipment installed on customers' premises for use in radiotelegraph service.

(b) This account shall be subdivided as follows:

41:01 Printer equipment.
41:02 Call boxes.
41:99 Other equipment.

ITEMS

(See § 34.03-12)

Call boxes.
Morse sets.
Printer tables.
Printers—keyboard, page, or tape.
Telephones.

NOTE: The cost of outside wiring shall be included in account 26, "Control lines."

Furniture and Office Equipment

§ 34.51 *Furniture and office equipment.* This account shall include the cost of furniture, office equipment, and portable fixtures used in radiotelegraph service in stations, offices, storerooms, shops, and other quarters.

ITEMS

(See § 34.03-12)

Beds, cots, and couches.
Bins, counters, and shelves.
Bookcases.
Cabinets and filing cases.
Cages, cashiers' (not part of building).
Chairs, carpets, and rugs.
Clocks.
Davenport.
Desks.
Electric heaters.
Equipment in kitchens and in rest, dining, recreation, and medical rooms.
Fans, electric, portable.
Fire-extinguisher equipment, portable.
Floor scrubbing and polishing machines.
Gas and electric fixtures, portable.
Lockers and wardrobes, portable.
Mirrors, portable.
Motion-picture equipment.
Office devices, including addressing, billing, blueprinting, computing, dating, duplicating, mailing, photostat and recording machines, cash registers, check writers, postage-meter machines, typewriters, and similar items.
Pianos and phonographs.
Radio sets.
Racks—magazine, newspaper, umbrella, and clothing.
Refrigerators, portable.
Safes.
Sewing machines.
Signs, portable.
Shoe-shining equipment.
Stoves.
Tables.
Vacuum sweepers.
Water coolers.

NOTE A: The cost of fixtures attached to and constituting a part of buildings shall be charged to account 14, "Buildings."

NOTE B: The cost of traffic typewriters is includible in account 40, "Control apparatus."

Mobile Station Equipment

§ 34.61 *Ship station equipment.* (a) This account shall include the cost of equipment used in radiotelegraph service at ship stations.

(b) The records supporting the entries in this account shall be so maintained as to indicate the cost of equipment at each ship station.

ITEMS

(See § 34.03-12)

Antenna systems.
Control panels.
Electron tubes. (See § 34.41-7.)
Emergency power supply.
Motor generators.
Receivers.
Transmitters.

§ 34.69 *Other mobile station equipment.* (a) This account shall include the cost of equipment used in radiotelegraph service at mobile stations, other than ship stations.

(b) This account shall be subdivided as follows:

69:01 Aircraft station equipment.
69:02 Equipment at mobile stations other than ship or aircraft.

(c) The records supporting the entries in this account shall be so maintained as to indicate the cost of equipment at each such mobile station.

ITEMS

(See § 34.03-12)

Antenna systems.
Control panels.
Electron tubes. (See § 34.41-7.)
Emergency power supply.
Motor generators.
Receivers.
Transmitters.

Work Equipment

§ 34.71 *Vehicles and draft animals.* This account shall include the cost of transportation equipment such as motor-driven and animal-drawn vehicles, animals, harness, and appurtenances, used in radiotelegraph service.

ITEMS

(See § 34.03-12)

Automobiles and airplanes.
Bicycles and scooter-bikes.
Boats and barges.
Camp wagons.
Draft animals.
Hand trucks and carts.
Harness.
Motorcycles.
Mounted kitchens.
Saddles.
Trailers.
Trucks and tractors (including those equipped with earth-boring machines, pumps, winches, and similar items).
Wagons.

§ 34.72 *Shop equipment, tools, and implements.* This account shall include the cost of machinery, instruments, tools, appliances, and implements, located at stations, city offices, or shops, and used in testing, maintaining, and constructing radiotelegraph plant.

No. 250—6

ITEMS

(See § 34.03-12)

(Testing and adjusting equipment)

Crystal testing equipment.
Electron tubes. (See § 34.41-7.)
Linemen's test sets.
Megger test sets.
Meters.
Oil testing sets.
Oscillographs and oscilloscopes.
Precision gages.
Relay testers.
Test panels.
Thermocouples.
Vacuum-tube gas-detector.

(Portable tools and implements)

Air compressors, mobile.
Back-filling machines.
Blowers, power.
Compressed-air tools.
Concrete mixers and breakers.
Cranes, mobile.
Derricks, mobile.
Drills and hammers, power.
Earth-boring machines (not part of truck or tractor).
Forges, portable.
Fuse tongs.
Hand tools. (See particularly par. (c) of § 34.1-1.)
Hand trucks, carts, and barrows.
Loaders, power.
Tents and tarpaulins.
Torches.
Trenching machines.

(Other equipment)

Air compressors.
Blowers.
Boring mills.
Compressed-air tools.
Cranes.
Derricks.
Electric ovens.
Engines.
Forges.
Gasoline pumps and tanks.
Generators, electric and gas.
Lathes.
Milling machines.
Motors.
Oil filter presses.
Oil pumps and tanks.
Planers.
Power drills.
Power hammers.
Power loaders.
Presses.
Pumps.
Winches.
Wire-measuring machines.

NOTE A: The cost of chairs, desks, tables, and other items of furniture used in shops shall be included in account 51, "Furniture and office equipment."

NOTE B: Tools carried as supplies unissued shall be charged to account 1795, "Material and supplies," and small hand tools shall be charged to account 9020, "Shop, tool, and implement expense—Undistributed."

§ 34.73 *Store and warehouse equipment.* This account shall include the cost of equipment and appurtenances in storerooms, warehouses, and material yards used in storing, handling, and packing material and supplies held for use in radiotelegraph service.

ITEMS

(See § 34.03-12)

Barrows.
Bins, portable.
Cabinets, movable.
Conveyers.
Counters, movable.
Cranes.

Furniture and office equipment (located in storerooms and warehouses defined in note A under this account, as distinguished from furniture and office equipment located at stations and city offices).

Gasoline pumps.
Gasoline tanks.
Hand trucks and carts.
Hoists.
Oil pumps.
Oil tanks.
Shelving, movable.
Tools.
Wire-measuring machines.

NOTE A: The storerooms and warehouses to which this account relates are those serving as general distribution centers for materials and supplies and which normally are not located at stations or city offices.

NOTE B: The cost of fixtures attached to and constituting a part of buildings shall be included in account 14, "Buildings."

Intangibles

§ 34.81 *Organization.* This account shall include the cost of organizing and incorporating the carrier.

ITEMS

(See § 34.03-12)

Cost of obtaining certificates authorizing the carrier to engage in the public communication business.
Fees and expenses of incorporation.
Fees and expenses of mergers or consolidations.
Office expenses incident to organizing the carrier.

NOTE A: This account shall not include any discounts upon securities issued or assumed, costs incident to negotiating loans or selling bonds or other evidences of indebtedness, or expenses in connection with the authorization, issuance, sale, or resale of capital stock.

NOTE B: This account shall not include the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: This account shall not include any organization costs of companies retiring as a result of mergers, consolidations, or reorganizations.

§ 34.82 *Franchises.* (a) This account shall include the cost of franchises, consents, and certificates, running in perpetuity or for a specified term of more than 1 year, issued by a national government, a State, or any other political entity.

(b) When any franchise, consent, or certificate expires, is sold, relinquished, or otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization—Radiotelegraph plant."

(c) This account shall be subdivided as follows:

82:01 Perpetual franchises.
82:02 Limited-term franchises.

ITEMS

(See § 34.03-12)

Amounts, other than those includible in account 81, "Organization," paid to a national government, a State, or any other political entity as a condition precedent to engaging in communication business, whether or not the right to occupy public property, streets, or highways is obtained in connection therewith. (See particularly par. (c) (6) of § 34.1-3.)
Cost of franchises acquired by assignment.

Cost of plant, material, supplies, and equipment given as the initial consideration for franchises.
Election costs assumed by the carrier for government consent.

NOTE A: The cost of franchises running for 1 year or less after acquisition shall be charged to account 4460, "Franchise requirements—Dr.," or, if such franchises extend beyond the current calendar year, to account 1899, "Other prepayments," to the extent of its proper portion. Franchises acquired at small cost may be charged to account 4460, irrespective of their term of life.

NOTE B: Franchise taxes payable annually or more frequently shall be charged to account 4932, "Other taxes—Operating."

§ 34.83 Patent rights. (a) This account shall include the cost of patent rights having a life of more than 1 year from date of acquisition, acquired for use in connection with the carrier's radiotelegraph operations.

(b) When any patent right expires, is sold, or is otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization—Radiotelegraph plant."

ITEMS

(See § 34.03-12)

Costs incident to defending title.
Fees of patent attorneys and other legal expenses.
Filing and registration fees.
Research and development expenses directly assignable.

NOTE: The cost of patent rights having an estimated service life of 1 year or less, or acquired at small cost, shall be included in account 4499, "Other general expenses."

§ 34.84 Leaseholds. (a) This account shall include the cost of leaseholds, easements, and similar rights in land and other property having a term of more than 1 year.

(b) When any leasehold expires, is sold, or is otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization—Radiotelegraph plant."

(c) This account shall be subdivided as follows:

84:01 Rights of way.
84:99 Other leaseholds.

ITEMS

(See § 34.03-12)

Conveyancer and notarial fees.
Relocating property of others.
Special counsel and other fees and expenses incurred in connection with leaseholds.
Taxes assumed on leased property applicable to the period prior to the date of the lease.

NOTE A: The cost of permits to erect poles and to place conduit when the expected period of occupancy under such permits does not exceed the estimated life of the initial plant installed, also the cost of other permits not includible in this account, such as those to place cable and wire on buildings and fences, and the related pay and expenses of employees and other costs incident to acquiring such permits, shall be included in the account appropriate for the cost of the plant constructed. (See particularly par. (c) (6) of § 34.1-3.)

NOTE B: Annual or more frequent payments for leaseholds shall be charged to account 4940, "Rent for lease of operated plant," account 4245, "Rent for other facilities," account 4450, "Rent for offices," or account 4455, "Other rents," as appropriate.

§ 34.89 Other intangibles. (a) This account shall include the cost of assets of an intangible nature not provided for elsewhere, such as the amounts of payments made to other persons for extending their lines to the carrier's station or office, when such facilities remain the property of such other persons, and when the amounts paid are not subject to rebate.

(b) When any intangible item the cost of which is included in this account expires or is otherwise retired from service, the accounting shall be as provided in account 1520, "Allowance for amortization—Radiotelegraph plant."

(c) The records supporting the entries in this account shall be so maintained that in the reports to this Commission complete information can be furnished with respect to any amounts included herein.

Other Plant Accounts

§ 34.91 Plant acquired—Undistributed charges. (a) This account shall be charged temporarily with the acquisition cost of plant acquired by the carrier, under any of the circumstances provided for in § 34.1-2, pending distribution thereof to the appropriate accounts.

(b) Within 90 days from the date of any entry herein recording an acquisition, the carrier shall submit to this Commission a statement indicating the approximate date that clearance is contemplated.

§ 34.92 Plant sold—Undistributed credits. This account shall be credited temporarily with the selling price of plant, pending distribution thereof to the appropriate accounts. (See particularly par. (e) of § 34.1-6.)

INCOME AND EARNED SURPLUS ACCOUNTS INSTRUCTIONS

§ 34.30-1 Purpose of income accounts. The income accounts are designed to show for each month and each calendar year the amounts of (a) ordinary income, comprising operating revenues, operating revenue deductions, other communication income, noncommunication income, and deductions from ordinary income, (b) extraordinary income charges and credits, and (c) deductions from net income, comprising taxes on net income and other deductions.

§ 34.30-2 Income from debt-redemption and other funds. (a) Interest, dividends, and other income derived from funds classified in accounts 1630 to 1659, inclusive, shall be credited to account 5135, "Income from debt-redemption and other funds."

(b) When the income is required by contractual or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be included in the fund to which it is applicable.

(c) When income derived from these funds is required to be retained in the fund and the fund is represented by a reserve, amounts equal to such income shall be charged to account 8310, "Contractual appropriations of earned surplus," or account 8320, "Miscellaneous

appropriations of earned surplus," as appropriate, and credited to the appropriate reserve account. (See also accounts 2610, "Contractual reserves," and 2620, "Miscellaneous reserves.")

§ 34.30-3 Rents includible in income accounts. (a) Rents which the carrier receives from others for operated plant the cost of which is includible in account 1100, "Operated plant leased to others," shall be credited to account 5010, "Income from operated plant leased to others."

NOTE: Rents from operated plant the cost of which is includible in account 1000, "Operated plant in carrier's service," or account 1200, "Improvements and replacements of operated plant leased from others," shall be credited to account 3805, "Revenue from furnishing and servicing stations," or account 3820, "Other leased plant revenue," as appropriate.

(b) All taxes, maintenance, depreciation, amortization, uncollectible rents, or other expenses applicable to plant the income from which is includible in account 5010, "Income from operated plant leased to others," shall be charged to that account by the lessor. When it is necessary to apportion any such amounts between plant owned and used and plant leased to others, the carrier shall be prepared to describe the basis of such apportionment.

(c) Rents paid by the carrier for the exclusive use of substantially complete operating systems or operating units leased from others shall be charged to account 4940, "Rent for lease of operated plant." When taxes, depreciation, amortization, or other expenses applicable to the leased plant are initially accounted for by the lessor, such amounts shall be charged to the appropriate tax, depreciation, amortization, or other accounts by the lessee and credited to account 4940. The lessor shall inform the lessee of the appropriate distribution of such charges.

(d) Taxes, maintenance, depreciation, amortization, and other expenses applicable to leased plant, initially accounted for by the lessee, shall be charged by the lessee to the appropriate tax, maintenance, depreciation, amortization, or other accounts. (See also § 34.1-5.)

§ 34.30-4 Disposition of balances in income accounts. The net balance of the income accounts (after deductions provided for in accounts 7010 to 7099, inclusive) shall be transferred to account 8110, "Balance transferred from income accounts," at the end of each calendar year.

§ 34.30-5 Purpose of earned surplus accounts. The earned surplus accounts are designed to show the changes relating to earned surplus, during each calendar year, resulting from (a) the net amount of profit or loss during the period as reflected in the income accounts, (b) accounting adjustments (usually confined to changes in the stated capital of the corporation or to transactions in its own capital stock) not attributable to income under the provisions of this sys-

tem of accounts, (c) appropriations of earned surplus for specific purposes, and (d) appropriations for dividends.

§ 34.30-6 *Disposition of balances in earned surplus accounts.* The net balance of the earned surplus accounts shall be transferred to account 2699, "Unappropriated earned surplus," at the end of each calendar year.

§ 34.30-99 *Contemplated form of income and earned surplus statement.* (See particularly § 34.03-9.)

INCOME AND EARNED SURPLUS STATEMENT

INCOME	
Ordinary income—Communication	
Account No.	Particulars
3000	Operating revenues..... \$.....
	(Operating revenue deductions)
4000	Operating expenses..... \$.....
4910	Depreciation.....
4915	Amortization—Intangible operated plant.....
4920	Amortization of plant acquisition adjustments.....
4925	Extraordinary plant losses.....
4931	Social security taxes—Operating.....
4932	Other taxes—Operating.....
4935	Uncollectible revenues.....
4940	Rent for lease of operated plant.....
4945	Telephone, wire-telegraph, and ocean-cable operating revenue deductions.....
4950	Revenue-contract payments.....
4999	Other operating revenue deductions.....
	(Other communication income)..... \$.....
5010	Income from operated plant leased to others.....
5015	Income from telephone, wire-telegraph, and ocean-cable plant leased to others.....
5020	Profit from general services, licenses, and royalties.....
5089	Income from foreign operations.....
5099	Other communication income.....
	Operating income..... \$.....
Ordinary income—Noncommunication	
5110	Income from miscellaneous physical property..... \$.....
5115	Income from merchandising, jobbing, and contracting.....
5120	Dividend income.....
5125	Interest income.....
5135	Income from debt-redemption and other funds.....
5140	Gain or loss on foreign currency exchange.....
5199	Other noncommunication income.....
	Gross ordinary income..... \$.....
Deductions from ordinary income	
5210	Interest on long-term debt..... \$.....
5215	Interest on indebtedness to affiliates.....
5220	Amortization of debt discount.....
5225	Interest charged to construction—Cr.....
5230	Amortization of debt premium—Cr.....
5235	Other interest charges.....
5240	Taxes assumed on interest.....
5245	Amortization of debt expense.....
5250	Miscellaneous taxes.....
5255	Amortization of plant acquisition adjustments.....
5260	Revenue-contract payments.....
5299	Other deductions from ordinary income.....
	Net ordinary income..... \$.....
Extraordinary income—Credits	
6110	Delayed income credits..... \$.....
6199	Other extraordinary income credits.....
	\$.....
Extraordinary income—Charges	
6210	Delayed income charges..... \$.....
6299	Other extraordinary income charges.....
	\$.....
	Net income..... \$.....

INCOME AND EARNED SURPLUS STATEMENT—Con.

INCOME—continued	
Deductions from net income	
Account No.	Particulars
7010	Taxes on net income..... \$.....
7099	Other deductions from net income..... \$.....
	Net income transferred to account 8110, "Balance transferred from income accounts"..... \$.....
EARNED SURPLUS	
2699	Unappropriated earned surplus (at beginning of year)..... \$.....
Earned surplus—Credits	
Add:	
8110	Balance transferred from income accounts..... \$.....
8199	Miscellaneous credits to earned surplus.....
	Total..... \$.....
Earned surplus—Charges	
Deduct:	
8299	Miscellaneous charges to earned surplus.....
	Earned surplus available for reservation or appropriation..... \$.....
Deduct:	
8310	Contractual appropriations of earned surplus..... \$.....
8315	Earned surplus employed in reacquisition of capital stock.....
8320	Miscellaneous appropriations of earned surplus.....
	Earned surplus available for dividends..... \$.....
Deduct:	
8399	Dividend appropriations of earned surplus.....
2699	Unappropriated earned surplus (at end of year)..... \$.....

INCOME AND EARNED SURPLUS ACCOUNTS

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

INCOME ACCOUNTS

Ordinary Income—Communication

(See particularly § 34.03-8)

§ 34.3000 *Operating revenues.* This account shall include the total operating revenues shown in the operating revenue accounts, derived by the carrier during the accounting period from the furnishing of communication service and services incidental thereto.

(Operating revenue deductions)

§ 34.4000 *Operating expenses.* This account shall include the total operating expenses shown in the operating expense accounts, incurred by the carrier during the accounting period for maintenance of its radiotelegraph plant, and for conducting-operations, administrative, and general expenses incurred in furnishing radiotelegraph service and services incidental thereto.

§ 34.4910 *Depreciation.* (a) This account shall include the amount of depreciation charges applicable to the accounting period for all classes of operated plant owned by the carrier except such depreciation as is chargeable to clearing accounts, to account 1300, "Plant under construction," and to account 5010, "Income from operated plant leased to others." It shall include also the amount of depreciation charges

applicable to the accounting period for all classes of operated plant used but not owned by the carrier, as provided in § 34.30-3. (See also §§ 34.04-1 to 34.04-3, inclusive, and § 34.1-5.)

(b) This account shall be subdivided as follows:

4910:01 Depreciation—Operated plant owned and used.
4910:02 Depreciation—Operated plant leased from others.

(c) The records supporting the entries in this account shall be so maintained as to show the amounts applicable to (1) transmission service for each station and (2) nontransmission service.

§ 34.4915 *Amortization—Intangible operated plant.* (a) This account shall include the amount of amortization charges applicable to the accounting period for intangibles (having a terminable life) the cost of which is includible in operated plant accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," and 89, "Other intangibles," except such amortization as is chargeable to account 5010, "Income from operated plant leased to others." It shall include also the amount of amortization charges applicable to the accounting period for such intangibles used but not owned by the carrier, as provided in § 34.30-3.

(b) The charges to this account shall be such that the cost of each intangible will be amortized, as evenly as may be, over the period of its benefit to the carrier.

(c) This account shall be subdivided as follows:

4915:01 Amortization—Intangibles owned and used.
4915:02 Amortization—Intangibles leased from others.

§ 34.4920 *Amortization of plant acquisition adjustments.* (a) This account shall be charged or credited, as the case may be, with such amounts as this Commission may authorize or direct to be included in operating revenue deductions under a plan to amortize the amounts in account 1510, "Plant acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization—Radiotelegraph plant."

§ 34.4925 *Extraordinary plant losses.* (a) This account shall be charged and account 1910, "Extraordinary maintenance, depreciation, and retirements," or account 1515, "Allowance for depreciation—Radiotelegraph plant," as appropriate, shall be credited with the unprovided-for loss in service value of plant retired for causes not factors in depreciation. (See also § 34.04-4.)

(b) The records supporting the entries in this account shall be so maintained as to show the amounts applicable to (1) transmission service for each station and (2) nontransmission service.

§ 34.4931 *Social security taxes—Operating.* (a) This account shall include the amounts for which the carrier is liable on its own behalf for taxes imposed under the Social Security Act and similar

State statutes that are properly chargeable to radiotelegraph operations.

(b) This account shall be charged and account 2175, "Tax accruals," shall be credited each month with the amount of taxes that are applicable to the month. When it is not possible to determine the exact amount of taxes for the month, the amount shall be estimated and adjustments shall be made as the actual tax levies become known.

NOTE: The amounts of such taxes not applicable to radiotelegraph operations shall be equitably apportioned among the operated plant accounts and account 5250, "Miscellaneous taxes."

§ 34.4932 Other taxes—Operating.

(a) This account shall include, other than taxes on net income and taxes imposed under the Social Security Act and similar State statutes, the amounts of all national, State, county, municipal, and other taxes that are properly chargeable to radiotelegraph operations. (See also account 4931, "Social security taxes—Operating," and account 7010, "Taxes on net income.")

(b) This account shall be charged and account 2175, "Tax accruals," shall be credited each month with the amount of taxes that are applicable to the month. When it is not possible to determine the exact amount of taxes for the month, the amount shall be estimated and adjustments shall be made as the actual tax levies become known.

(c) When it is necessary to apportion taxes to radiotelegraph operations, full details as to the methods of and facts considered in the apportionment shall be recorded.

(d) Taxes on plant leased from others, the rent for which is includible in account 4940, "Rent for lease of operated plant," shall be charged to this account by the lessee. Taxes on plant leased to others, the rent from which is includible in account 5010, "Income from operated plant leased to others," when assumed by the lessor, shall be charged to that account by the lessor. (See particularly § 34.30-3.)

(e) The records supporting the entries in this account shall be so maintained as to show the amount of each kind of tax and the basis upon which each charge is made; also the amount of taxes directly assignable to each station and the aggregate amount of taxes not directly assignable.

NOTE A: Taxes assumed by the carrier on interest shall be charged to account 5240, "Taxes assumed on interest."

NOTE B: Taxes on nonoperating property the income from which is includible in account 5110, "Income from miscellaneous physical property," shall be charged to account 5250, "Miscellaneous taxes." Taxes on property the income from which is includible in account 5115, "Income from merchandising, jobbing, and contracting," shall also be charged to account 5250.

NOTE C: Special assessments for the construction of street and other improvements shall be included in the appropriate plant accounts. Special assessments for maintenance thereof and special benefit taxes, such as water taxes, shall be included in the appropriate operating expense accounts.

NOTE D: Discounts allowed for payment of taxes before due shall be treated as reductions of taxes assessed.

NOTE E: The accounting for taxes on plant under construction shall be as provided in subparagraph (7) of paragraph (c) of § 34.1-3.

§ 34.4935 Uncollectible revenues. (a) This account shall be charged with amounts due from customers and agents for radiotelegraph services rendered which are considered to be uncollectible.

(b) This account may include, in lieu of the amounts of direct charges prescribed in paragraph (a) of this account, monthly charges based upon estimates to make provision for uncollectible revenues due from customers and agents. Such amounts shall be credited to account 1765, "Allowance for uncollectible receivables." There shall be recorded full details as to the methods used and the facts considered in estimating the amounts so credited.

(c) This account shall include, in a separate subdivision thereof, credits arising from charges to accounts 2115, "Customers' deposits," and 2155, "Advance billings," that may lawfully be written off as unrefundable because of failure to locate the rightful owner or for some similar reason.

NOTE: Uncollectible receivables, other than from customers and agents, shall be charged to account 5299, "Other deductions from ordinary income," account 6299, "Other extraordinary income charges," or other appropriate account.

§ 34.4940 Rent for lease of operated plant. (a) This account shall be charged with the amounts of rents payable for the exclusive possession of operated plant comprising substantially complete operating systems or operating units.

(b) This account shall be credited with the amounts of taxes, depreciation, amortization, and other expenses initially accounted for by the lessor on operated plant the rent for which is chargeable to this account. (See particularly § 34.30-3.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the following items for each station:

- (1) Rents.
- (2) Items initially accounted for by the lessor:
 - (i) Taxes.
 - (ii) Depreciation.
 - (iii) Amortization.
 - (iv) Other expenses.

NOTE A: Rent for lease of ducts, conduit, land, pole lines, circuits, conductors, transmitting and receiving equipment, and similar facilities comprising a part only of a system or unit shall be charged to account 4245, "Rent for other facilities."

NOTE B: Rent for lease of an office or a building shall be charged to account 4243, "Rent for operating offices," account 4450, "Rent for offices," or account 4455, "Other rents," as appropriate.

§ 34.4945 Telephone, wire-telegraph, and ocean-cable operating revenue deductions. This account shall include the amounts of operating expenses, depreciation, amortization, taxes, uncollectible revenues, and rents incidental to the carrier's telephone, wire-telegraph and ocean-cable operations. (See also § 34.03-8.)

§ 34.4950 Revenue-contract payments. This account shall include amounts (authorized or directed by this Commission to be included in operating revenue deductions) that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue service or transmission of such traffic. (See also § 34.31-3.)

§ 34.4999 Other operating revenue deductions. This account shall include amounts representing operating revenue deductions that are not includible elsewhere.

(Other communication income)

§ 34.5010 Income from operated plant leased to others. (a) This account shall be credited with the amounts of rentals received from operated plant comprising substantially complete operating systems or operating units leased to others where the lessee has exclusive possession.

(b) This account shall be charged with the amounts of taxes, depreciation, amortization, and other expenses initially accounted for by the lessor on operated plant the rental from which is creditable to this account. (See particularly § 34.30-3.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the following items for each station:

- (1) Rentals.
- (2) Items initially accounted for by the lessor:
 - (i) Taxes.
 - (ii) Depreciation.
 - (iii) Amortization.
 - (iv) Other expenses.
- (3) Uncollectible rentals.

§ 34.5015 Income from telephone, wire-telegraph, and ocean-cable plant leased to others. This account shall be credited with the amounts of rentals received from telephone, wire-telegraph, and ocean-cable plant comprising complete operating systems or operating units leased to others where the lessee has exclusive possession.

§ 34.5020 Profit from general services, licenses, and royalties. (a) This account shall include the amounts of profits realized from services rendered others under a license agreement, a general service contract, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, and other general services. (See also § 34.41-4 and account 4420, "General services, licenses, and royalties—Cr.")

(b) Minor amounts of profits from such arrangements may be included in account 4420, "General services, licenses, and royalties—Cr."

§ 34.5089 Income from foreign operations. (a) This account may include the net amount of income of the carrier when the detailed amounts are required to be stated in terms of foreign currency

or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the amount of such income from each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in the reports to this Commission, a complete analysis of the transactions affecting each station may be shown.

(d) Each carrier that elects to use this account shall advise this Commission of the fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to the alternative procedure prescribed for domestic income, or vice versa, shall not be made thereafter without submitting to this Commission for its consideration and approval notice of the change at least 90 days before the proposed effective date of such change.

§ 34.5099 *Other communication income.* This account shall include the amount of communication income not provided for elsewhere.

Ordinary Income—Noncommunication

§ 34.5110 *Income from miscellaneous physical property.* (a) This account shall include the amounts received and the expenses incurred in connection with the operation of property the investment in which is includible in account 1610, "Miscellaneous physical property," and the property of others leased by the carrier for other than communication operations.

(b) The expenses shall include every element of cost (except taxes) incurred in such operations, including depreciation, amortization, insurance, assessments against such property for maintenance of public improvements, an equitable portion of administration expenses, uncollectible rentals, and any other costs incident to the operation of miscellaneous physical property.

NOTE: Taxes applicable to miscellaneous physical property and its operation shall be charged to account 5250, "Miscellaneous taxes."

§ 34.5115 *Income from merchandising, jobbing, and contracting.* (a) This account shall include the amounts received and the expenses (except taxes) incurred in connection with the sale of merchandise, including any amounts accruing to the carrier on jobbing and contracting work performed by employees.

(b) This account shall be subdivided as follows:

- 5115:01 Income from merchandising, jobbing, and contracting.
- 5115:02 Costs and expenses of merchandising, jobbing, and contracting.

(c) This account shall be further subdivided to show amounts of income from and the costs and expenses of merchandising, jobbing, and contracting with respect to:

- (1) Fixed and land station equipment.
- (2) Ship station equipment.
- (3) Other mobile station equipment.
- (4) Other radio equipment.
- (5) Other merchandising, jobbing, and contracting.

NOTE A: Periodic charges for the use of plant includible in account 1000, "Operated plant in carrier's service" (see particularly the note following account 1100, "Operated plant leased to others"), and for installing, maintaining, inspecting, and servicing such plant, shall be included in account 3805, "Revenue from furnishing and servicing stations."

NOTE B: Taxes applicable to merchandising, jobbing, and contracting shall be charged to account 5250, "Miscellaneous taxes."

§ 34.5120 *Dividend income.* This account shall include the amounts of income received from dividends declared on stocks of other persons other than dividends received on securities includible in accounts 1650 to 1659, inclusive.

NOTE A: Dividends on nominally issued and nominally outstanding capital stock shall not be included in these accounts.

NOTE B: No amounts shall be entered in these accounts representing value assigned to stock dividends received by the carrier on stocks of other persons. The proceeds realized from subsequent sale or disposal of the stock received as a dividend, or of the stock with respect to which the dividend was paid, shall be appropriately accounted for, proper credit being given to the investment account for the portion of the book cost assignable to the shares sold or disposed of. Any profit or loss resulting from the transaction shall be credited to account 6199, "Other extraordinary income credits," or charged to account 6299, "Other extraordinary income charges," as appropriate.

§ 34.5125 *Interest income.* (a) This account shall include the amounts of interest income on investments in securities of other persons other than interest on securities includible in accounts 1630 to 1659, inclusive. It shall include interest income on investment advances and on other loans, notes, special deposits, and other interest-bearing assets. (See also § 34.10-7.)

(b) This account shall be subdivided as follows:

- 5125:01 Interest income on securities.
- 5125:02 Interest income on investment advances.
- 5125:99 Other interest income.

NOTE A: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

NOTE B: Interest that has accrued shall not be credited to this account unless its payment is reasonably assured.

§ 34.5135 *Income from debt-redemption and other funds.* (a) This account shall include the amounts of income (whether interest or dividends) accrued on cash, securities issued by other persons, or other assets held in accounts 1630 to 1659, inclusive. (See particularly §§ 34.10-7 and 34.30-2.)

(b) Expenses, losses, and fees payable by the carrier from such funds or income therefrom, and incurred in connection with the operation of the fund, shall be charged to this account.

(c) The records supporting the entries in this account shall be so maintained as to show separately the income from each fund.

§ 34.5140 *Gain or loss on foreign currency exchange.* This account shall be credited or charged, as appropriate, and to the extent outlined in § 34.03-16, with the amounts of gains or losses resulting

from transactions involving foreign currency.

§ 34.5199 *Other noncommunication income.* This account shall include the amount of noncommunication income not provided for elsewhere.

Deductions From Ordinary Income

§ 34.5210 *Interest on long-term debt.* (a) This account shall include the amounts of interest accrued on outstanding long-term debt issued or assumed by the carrier, the liability for which is included in account 2010, "Bonds actually issued," account 2025, "Receivers' and trustees' securities," and account 2099, "Other long-term debt."

(b) The records supporting the entries in this account shall be so maintained as to show the interest accruals on each issue or series of long-term debt.

NOTE: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

§ 34.5215 *Interest on indebtedness to affiliates.* (a) This account shall include the amounts of interest accrued on indebtedness to affiliates included in accounts such as account 2030, "Advances from affiliates," and account 2129, "Other payables to affiliates."

(b) The records supporting the entries in this account shall be so maintained as to show to whom the interest is payable, the nature and amount of the principal obligation, and the rate of interest, under the following subdivisions:

- 5215:01 Interest on advances.
- 5215:02 Interest on open accounts.

§ 34.5220 *Amortization of debt discount.* (a) This account shall include for each accounting period the portion of unamortized debt discount on outstanding long-term debt that is applicable to the period. Such amounts shall be determined in accordance with § 34.10-14.

(b) Amounts charged to this account shall be credited to account 1930, "Unamortized discount on debt."

§ 34.5225 *Interest charged to construction—Cr.* This account shall be credited with amounts charged to account 1300, "Plant under construction," as provided in paragraph (c) (8) of § 34.1-3.

§ 34.5230 *Amortization of debt premium—Cr.* (a) This account shall include for each accounting period the portion of unamortized premium on outstanding long-term debt that is applicable to the period. Such amounts shall be determined in accordance with § 34.10-14.

(b) Amounts credited to this account shall be charged to account 2310, "Unamortized premium on debt."

§ 34.5235 *Other interest charges.* (a) This account shall include the amount of interest charges not provided for elsewhere. Among the items of indebtedness the interest on which is chargeable to this account are (1) past-due assessments for public improvements, (2) claims and judgments, (3) customers' deposits, (4) notes payable on demand or

maturing less than 1 year from date of issuance, except notes payable to affiliates, (5) open accounts, except with affiliates, and (6) past-due tax assessments.

(b) The records supporting the entries in this account shall be so maintained as to show to whom the interest is payable, the nature and amount of the principal obligation, and the rate of interest.

§ 34.5240 Taxes assumed on interest. This account shall include amounts paid to holders of bonds (or other evidences of indebtedness of the carrier), and amounts paid to governmental agencies in their behalf, with respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, when such taxes are assumed by the carrier.

§ 34.5245 Amortization of debt expense. (a) This account shall include for each accounting period the portion of unamortized debt expense on outstanding long-term debt that is applicable to the period. Such amounts shall be determined in accordance with § 34.10-14.

(b) Amounts charged to this account shall be credited to account 1920, "Long-term debt expense."

NOTE: The carrier may accelerate the writing off of debt expense by charges to account 6299, "Other extraordinary income charges."

§ 34.5250 Miscellaneous taxes. (a) This account shall include the amounts of taxes not provided for elsewhere. Among the items that shall be charged hereto are taxes applicable to miscellaneous physical property and the operation thereof, and taxes applicable to merchandising, jobbing, and contracting.

(b) Amounts charged to this account prior to payment shall be credited to account 2175, "Tax accruals."

§ 34.5255 Amortization of plant acquisition adjustments. (a) This account shall be charged or credited, as the case may be, with such amounts as this Commission may authorize or direct to be included in deductions from ordinary income under a plan to amortize amounts in account 1510, "Plant acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization—Radiotelegraph plant."

§ 34.5260 Revenue-contract payments. This account shall include amounts (authorized or directed by this Commission to be included in deductions from ordinary income) that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue service or transmission of such traffic. (See also § 34.31-3.)

§ 34.5299 Other deductions from ordinary income. This account shall include deductions from ordinary income not provided for elsewhere. Among the items that shall be charged hereto are

contributions for charitable, social, or community-welfare purposes and membership fees and dues in associations other than those of the carrier itself in associations of communication carriers and of employees in professional organizations; also amounts of depreciation and amortization on radiotelegraph plant other than operated plant. (See also § 34.03-7.)

Extraordinary Income—Credits

§ 34.6110 Delayed income credits. This account shall include the amount of extraordinary and nonrecurring delayed items, as provided in § 34.03-13.

§ 34.6199 Other extraordinary income credits. This account shall include the amount of extraordinary income credits not provided for elsewhere.

ITEMS

(See § 34.03-12)

Forfeitures of amounts deposited with the carrier under options for the sale or lease of property.

Profits derived from the sale of property the cost of which is includible in account 1610, "Miscellaneous physical property."

Profits derived from the sale of reacquired securities other than capital stock.

Profits derived from the sale of securities of other persons.

Profits from the sale of plant. (See also § 34.1-6.)

Unclaimed customers' deposits.

Unclaimed wages and dividends written off.

Extraordinary Income—Charges

§ 34.6210 Delayed income charges. This account shall include the amount of extraordinary and nonrecurring delayed items, as provided in § 34.03-13.

§ 34.6299 Other extraordinary income charges. This account shall include the amount of extraordinary income charges that are not includible in account 6210, "Delayed income charges."

ITEM

(See § 34.03-12)

Amounts charged to corporate income to provide for the extinguishment of amounts includible in account 81, "Organization."

Amounts charged to income in recognition of decline in value of current assets and securities owned. (See also §§ 34.10-2 and 34.10-7.)

Capital stock expense written off. (See also par. (e) of § 34.10-13.)

Forfeitures of amounts deposited by the carrier under options for the purchase or lease of property.

Inventory, appraisal, and other costs incident to the acquisition, sale, or lease of property when the projects are abandoned. Long-term debt expense written off. (See also par. (e) of § 34.10-14.)

Losses of funds due to bank failures.

Losses on the sale of plant. (See also § 34.1-6.)

Losses resulting from the sale, destruction, or retirement of property the cost of which is includible in account 1610, "Miscellaneous physical property."

Losses resulting from the sale of reacquired securities other than capital stock.

Losses resulting from the sale of securities of other persons.

Penalties and fines paid on account of violations of statutes pertaining to regulation.

Deductions From Net Income

§ 34.7010 Taxes on net income. (a) This account shall include the amount of

national, State, and local government taxes on taxable net income including additional assessments of such taxes.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts included herein with respect to each taxing authority.

§ 34.7099 Other deductions from net income. This account shall include the amount of deductions from net income not provided for elsewhere.

EARNED SURPLUS ACCOUNTS

Earned Surplus—Credits

§ 34.8110 Balance transferred from income accounts. This account shall include the net balance transferred from the income accounts for the current year. (See particularly § 34.30-4.)

§ 34.8199 Miscellaneous credits to earned surplus. (a) This account shall include the amount of credits affecting earned surplus not provided for elsewhere. Among the items that shall be credited hereto are increments from the reacquisition and resale of the carrier's capital stock. (See also § 34.10-13.)

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to this Commission.

Earned Surplus—Charges

§ 34.8299 Miscellaneous charges to earned surplus. (a) This account shall include the amount of charges affecting earned surplus not provided for elsewhere. Among the items that shall be charged hereto are discount on capital stock written off and losses from the reacquisition and resale of the carrier's capital stock. (See also sec. 34.10-13 and account 2415, "Capital stock reacquired.")

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to this Commission.

§ 34.8310 Contractual appropriations of earned surplus. (a) This account shall include the amount of earned surplus reserved in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements.

(b) Amounts charged to this account shall be credited to account 2610, "Contractual reserves."

§ 34.8315 Earned surplus employed in reacquisition of capital stock. (a) This account shall be charged and account 2615, "Reserve against impairment of stated capital," shall be credited with the book amount of capital stock reacquired by the carrier and not retired.

(b) Upon resale or retirement of capital stock, this account shall be credited and account 2615, "Reserve against impairment of stated capital," shall be charged with the amounts included herein applicable to such stock.

§ 34.8320 Miscellaneous appropriations of earned surplus. (a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Amounts charged to this account shall be credited to account 2620, "Miscellaneous reserves."

§ 34.8399 *Dividend appropriations of earned surplus.* (a) This account shall include the amount of earned surplus appropriated for dividends on the actually outstanding capital stock of the carrier.

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock. If dividends are not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

OPERATING REVENUE ACCOUNTS

INSTRUCTIONS

§ 34.31-1 *Purpose of operating revenue accounts.* The operating revenue accounts are designed to show the carrier's portion of amounts received or receivable for the furnishing of radiotelegraph service. (See also §§ 34.03-8 and 34.03-17.)

§ 34.31-2 *Basis of credits to operating revenue accounts.* (a) Credits to the operating revenue accounts shall be based upon the actual amounts chargeable for services rendered by the carrier.

NOTE A: Corrections of overcharges, overcollections, and collections on behalf of others previously credited to the operating revenue accounts shall be charged to the account or accounts previously credited.

NOTE B: Authorized refunds and adjustments on account of failures in service shall be charged to account 4230, "Traffic damages."

(b) The appropriate operating revenue accounts shall be credited with:

(1) Amounts charged for installations, for restoration and termination of service, for inside and outside moves, for instrument changes, and for similar service requirements.

(2) Amounts of initial nonrecurring charges for special or auxiliary plant or equipment furnished in rendering service to a customer, except that charges for the cost of such plant or equipment the ownership of which rests with or will revert to the customer shall be credited to the accounts charged with the cost of such plant or equipment.

(3) Amounts of initial nonrecurring charges for installation of special or auxiliary plant or equipment furnished by a customer.

(4) Amounts of service charges for supplemental or auxiliary equipment furnished in rendering service to a customer.

(5) Amounts collected from users as costs of delivery beyond the free delivery zones adjacent to terminals of the carrier. (See also note C under § 34.31-3.)

(c) A separate subaccount shall be maintained for revenue derived from each circuit used in foreign transmission. (For the purpose of compliance with this instruction, all stations in a single foreign country may be viewed as a single terminus of any particular circuits affording transmission with that country.)

§ 34.31-3 *Divisions of operating revenues.* (a) An account shall be maintained with each communication carrier with which traffic settlements are made (separately from the accounts maintained for other transactions with such carriers) and there shall be included in

each such account both the amounts of revenues receivable from such carriers for the accounting carrier's participation and the amounts payable to such carriers for participation by others in such transmission. In stating the balance sheet the total of the debit balances remaining in such accounts shall be reported in accounts 1742, "Traffic settlements receivable from affiliates," and 1752, "Traffic settlements receivable," as appropriate, and the total of the credit balances remaining in such accounts shall be reported in accounts 2122, "Traffic settlements payable to affiliates," and 2132, "Traffic settlements payable," as appropriate.

(b) Amounts representing the carrier's portion of revenues receivable from other carriers for participation in the transmission of communication shall be credited to the appropriate revenue accounts and charged to the account maintained in accordance with paragraph (a) of this section.

(c) Amounts payable for participation by others in the transmission of communication shall be excluded from (or if previously credited thereto—charged to) the revenue accounts and credited to the account maintained in accordance with paragraph (a) of this section.

NOTE A: Commissions paid to transportation companies, hotels, service stations, or any person other than employees of the carrier for services rendered in originating and terminating messages or for other commercial communication services shall be charged to account 4270, "Commissions—Dr." Commissions paid to employees in lieu of or in addition to salaries or other compensation for similar services rendered shall be charged to the operating expense account appropriate for the salaries of such employees.

NOTE B: Commissions received by the carrier for services rendered in originating or terminating messages or for other commercial communication services shall be credited to account 4275, "Commissions—Cr."

NOTE C: Amounts (other than those representing commissions or participation in transmission) payable to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by revenues or traffic of the accounting carrier shall be charged to account 4950, "Revenue-contract payments," or account 5260, "Revenue-contract payments," as appropriate. Amounts payable for services performed for the carrier, such as tolls or rental charges, including those collected from users as costs of delivery beyond the free delivery zones adjacent to the terminals of the carrier shall be charged to the appropriate operating expense accounts.

§ 34.31-4 *Services furnished without direct charge.* (a) Amounts representing radiotelegraph services furnished to a national government, a State, or political subdivision thereof without direct compensation, in accordance with franchise requirements, shall be charged to account 4460, "Franchise requirements—Dr.," and credited to account 4465, "Franchise requirements—Cr."

(b) Records shall be maintained to show amounts representing any other radiotelegraph services carried on especially for the needs of a specific service

of general interest and not open to public correspondence and for which no direct compensation is received.

§ 34.31-99 *Contemplated form of operating-revenue statement.* (See § 34.03-9.)

Account No.	Particulars	Amount of revenue for the year
(a)	(b)	(c)
	<i>Domestic message revenue</i>	
3110	Public message revenue.....	\$.....
3115	U. S. Government message revenue.....	.....
3120	Other governments message revenue.....	.....
3125	Press message revenue.....	.....
3160	Domestic transmission of trans-oceanic and marine messages.....	.....
3199	Other message revenue.....	.....
	Total.....	\$.....
	<i>Transoceanic message revenue</i>	
3210	Public message revenue.....	.....
3215	U. S. Government message revenue.....	.....
3220	Other governments message revenue.....	.....
3225	Press message revenue.....	.....
3230	Other commuted-rate message revenue.....	.....
3299	Other message revenue.....	.....
	Total.....	\$.....
	<i>Marine message revenue</i>	
3310	Public message revenue.....	.....
3315	U. S. Government message revenue.....	.....
3320	Other governments message revenue.....	.....
3325	Press message revenue.....	.....
3330	Other commuted-rate message revenue.....	.....
3370	Ship station revenue.....	.....
3399	Other message revenue.....	.....
	Total.....	\$.....
	<i>Other transmission revenue</i>	
3705	Scheduled transmission service revenue.....	.....
3725	Broadcast-program service revenue.....	.....
3735	News (CND) service revenue.....	.....
3745	Facsimile or photogram service revenue.....	.....
3755	Telephone service revenue.....	.....
3799	Miscellaneous transmission service revenue.....	.....
	Total.....	\$.....
	Total transmission revenue.....	\$.....
	<i>Nontransmission revenue</i>	
3805	Revenue from furnishing and servicing stations.....	.....
3810	Leased-circuit revenue.....	.....
3820	Other leased-plant revenue.....	.....
3825	Money-order fees.....	.....
3899	Miscellaneous nontransmission revenue.....	.....
	Total.....	\$.....
	<i>Other telecommunication revenue</i>	
3910	Telephone revenue—Telephone systems.....	.....
3928	Wire-Telegraph and ocean-cable revenue—Wire systems.....	.....
	Total operating revenue.....	\$.....

Domestic Message Revenue

§ 34.3100 *Domestic message revenue.* (a) This account, when maintained under the option provided in § 34.03-5 (a), shall include the carrier's portion of revenue from the transmission of messages between points in the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico.

(b) When maintained, this account shall include, also, the carrier's portion of revenue from the transmission of transoceanic and marine messages inso-

far as such transmission is performed within the area comprising the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico. (See particularly § 34.3160.)

(c) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3110 *Public message revenue.* This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to the general public.

§ 34.3115 *U. S. government message revenue.* This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to the United States government.

§ 34.3120 *Other governments message revenue.* This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to governments other than the United States government.

§ 34.3125 *Press message revenue.* This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to organizations engaged in publication of the substance of such messages.

§ 34.3160 *Domestic transmission of transoceanic and marine messages.* This account shall include the carrier's portion of revenue from the transmission of (a) transoceanic messages between gateway points and points within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and (b) marine messages between land stations and points within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico.

§ 34.3199 *Other message revenue.* This account shall include the carrier's portion of revenue from the transmission within the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages at effective rates available to persons or organizations other than those provided for in §§ 34.3110 to 34.3160, inclusive.

Transoceanic Message Revenue

§ 34.3200 *Transoceanic message revenue.* (a) This account, when maintained under the option provided in § 34.03-5 (a), shall include the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the area comprising the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points in the continental United States. (See § 34.3160.)

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3210 *Public message revenue.* This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to the general public.

§ 34.3215 *U. S. Government message revenue.* This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to the United States government.

§ 34.3220 *Other governments message revenue.* This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to governments other than the United States government.

§ 34.3225 *Press message revenue.* This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to organizations engaged in publication of the substance of such messages. (See particularly § 34.3705; see also § 34.3735.)

§ 34.3230 *Other commuted-rate message revenue.* This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to persons or organizations other than those provided for in §§ 34.3210 to 34.3225.

§ 34.3299 *Other message revenue.* This account shall include, in a separate subdivision hereof, the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico (i. e., messages that do not originate or terminate at, or transit through points within such area.)

Marine Message Revenue

§ 34.3300 *Marine message revenue.* (a) This account, when maintained under the option provided in § 34.03-5 (a), shall include the carrier's portion of revenue from the transmission of messages between ship stations and land stations, including the revenue applicable to the land station. (See § 34.3160.)

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3310 *Public message revenue.* This account shall include the carrier's portion of revenue from the land station transmission of messages at effective rates available to the general public.

§ 34.3315 *U. S. Government message revenue.* This account shall include the carrier's portion of revenue from the land station transmission of messages at effective rates available to the United States Government.

§ 34.3320 *Other governments message revenue.* This account shall include the carrier's portion of revenue from the land station transmission of messages at effective rates available to governments other than the United States Government.

§ 34.3325 *Press message revenue.* This account shall include the carrier's portion of revenue from the land station transmission of messages at effective rates available to organizations engaged in publication of the substance of such messages. (See particularly § 34.3705; see also § 34.3735.)

§ 34.3330 *Other commuted-rate message revenue.* This account shall include the carrier's portion of revenue from the land station transmission of messages other than those provided for in §§ 34.3310 to 34.3325.

§ 34.3370 *Ship station revenue.* This account shall include the carrier's portion of revenue from the ship station transmission of messages.

§ 34.3399 *Other message revenue.* This account shall include the carrier's portion of revenue from the transmission of marine messages not provided for elsewhere.

Other Transmission Revenue

§ 34.3700 *Other transmission revenue.* (a) This account, when maintained under the option provided in § 34.03-5 (a), shall include the carrier's portion of revenue from transmission services other than filed messages.

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3705 *Scheduled transmission service revenue.* This account shall include the carrier's portion of revenue from furnishing transmission facilities during specified periods, either with or without operators, to provide for direct communication by customers, for purposes other than broadcast-program or telephone transmission. (See also §§ 34.3725, 34.3755, and 34.3810.)

§ 34.3725 *Broadcast-program service revenue.* This account shall include the carrier's portion of revenue from the furnishing of services or facilities utilized in (a) broadcast-program transmission and (b) activities incidentally associated therewith.

§ 34.3735 *News (CND) service revenue.* This account shall include the carrier's portion of revenue from furnishing customers with reports of activi-

ties such as stock market transactions, sports events, etc., when such reports are prepared and disseminated by the carrier. This includes periodic charges for the facilities used in such dissemination such as tickers, projectors, etc.

§ 34.3745 *Facsimile or photogram service revenue.* This account shall include the carrier's portion of revenue from the transmission of any matter involving the use of facsimile or other reproducing equipment.

§ 34.3755 *Telephone service revenue.* This account shall include the carrier's portion of revenue from telephone operations when such operations involve the use of plant primarily devoted to radiotelegraph service. (See also § 34.03-8 and account 3910, "Telephone revenue—Telephone systems.")

§ 34.3799 *Miscellaneous transmission service revenue.* This account shall include the carrier's portion of revenue from transmission services not provided for elsewhere.

Nontransmission revenue

§ 34.3800 *Nontransmission revenue.* (a) This account, when maintained under the option provided in § 34.03-5 (a), shall include the carrier's portion of revenue from communication operations other than transmission.

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

§ 34.3805 *Revenue from furnishing and servicing stations.* (a) This account shall include the carrier's portion of periodic charges for equipment furnished radiotelegraph stations and revenue from installing, maintaining, inspecting, and servicing equipment, auditing and adjusting traffic accounts, and other similar services not connected with the transmission of messages or with merchandising, jobbing, or contract work rendered to radiotelegraph stations.

(b) This account shall be subdivided as follows:

- 3805:01 Fixed and land stations.
- 3805:02 Ship stations.
- 3805:03 Other mobile stations.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to the following sources of revenue:

- (1) Installation subsequent to initial installation.
- (2) Servicing.
- (3) Rentals.
- (4) Clerical and administrative services.
- (5) General service agreements not specifying the amounts applicable to the foregoing sources.

NOTE: Rental from plant comprising complete operating systems or operating units where the lessee has exclusive possession shall be included in account 5010, "Income from operated plant leased to others." (See also § 34.30-3.)

§ 34.3810 *Leased-circuit revenue.* This account shall include the carrier's portion of revenue from the use by others of circuits, channels, wires, cables, and similar facilities for direct communication by customers, when the charge

therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of service obtained by the users of such facilities. (See also § 34.3705 of this part.)

NOTE A: Income from plant includible in account 1100, "Operated plant leased to others" (as distinguished from revenue includible in this account), shall be included in account 5010; "Income from operated plant leased to others."

NOTE B: When the charges for facilities furnished for direct communication by customers is based on the extent of services obtained by the users, such as telemeter service the revenue shall be included in account 3705, "Scheduled transmission service revenue."

§ 34.3820 *Other leased-plant revenue.* This account shall include the carrier's portion of revenue from the use by others of leased operated plant not provided for elsewhere. (See also § 34.30-3 and account 3805, "Revenue from furnishing and servicing stations.")

§ 34.3825 *Money-order fees.* This account shall include the carrier's portion of revenue from charges for money-order service as distinguished from revenue messages incidental to such service.

NOTE: Revenue from money-order messages as distinguished from the fees includible in this account, shall be included in the appropriate message-revenue account. (See §§ 34.3110 to 34.3399.)

§ 34.3899 *Miscellaneous nontransmission revenue.* This account shall include carrier's portion of revenue from nontransmission services not provided for elsewhere, such as revenue from frequency measuring, code registration, and errand service.

Other Telecommunication Revenue

§ 34.3910 *Telephone revenue—Telephone systems.* This account shall include the carrier's revenue from the operation of telephone systems as provided in § 34.03-8. (See also account 3755, "Telephone service revenue.")

§ 34.3928 *Wire-telegraph and ocean-cable revenue—Wire systems.* This account shall include the carrier's revenue from the operation of wire-telegraph and ocean-cable systems as provided in § 34.03-8.

OPERATING EXPENSE ACCOUNTS

INSTRUCTIONS

§ 34.41-1 *Purpose of operating expense accounts.* The operating expense accounts are designed to show the expenses of maintaining and operating radiotelegraph plant and the other expenses incurred in providing radiotelegraph service. (See also §§ 34.03-8 and 34.03-17.)

§ 34.41-2 *Operating expenses applicable to leased plant.* Operating expenses applicable to leased plant shall be charged by the lessee to the appropriate operating expense accounts, as provided in paragraphs (c) and (d) of § 34.30-3.

§ 34.41-3 *Direct allocation of operating expenses to stations and city offices.* The records supporting the entries in the

operating expense accounts shall be so maintained as to show the amounts of expenses directly applicable to each fixed station, each land station, each city office, ship stations (collectively), and other mobile stations (collectively).

§ 34.41-4 *Expenses of holding or servicing departments.* The records supporting such portions of the charges to each operating expense or other account as are incurred or recorded by departments performing holding company activities or furnishing services (other than radiotelegraph services performed at published tariff rates) to other carriers or affiliates under license agreements, general service contracts, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, or other general services, shall be so maintained that the carrier can report separately the amount of charges included therein applicable to each such carrier or affiliate.

§ 34.41-5 *Maintenance expenses.* (a) The cost of maintenance chargeable to the various operating expense accounts and to clearing accounts includes labor, materials, overhead, and other expenses incurred in maintenance work, such as:

- (1) Inspecting, testing, and reporting on the condition of plant to determine the need for repairs, replacements, and rearrangements.
- (2) Replacing minor items of operated plant, except when such items are replaced through the replacement of retirement units. (See also § 34.1-6.)
- (3) Rearranging and changing the location of plant not retired.
- (4) Repairing materials for reuse. (See also account 1795, "Material and supplies.")
- (5) Restoring the condition of plant damaged by storm, flood, fire, accident, or other casualty. (See also account 2215, "Provisions for self-carried insurance.")
- (6) Restoring the condition of plant damaged by wear and tear, decay, or action of the elements.
- (7) Training employees for maintenance work. (See also account 4475, "Training employees.")
- (8) Inspecting and testing after repairs have been made.
- (9) Portion of local plant supervision attributable to maintenance.
- (10) Cost of transportation, shop and store expenses, and use of tools and implements.
- (11) Cost of installations, equipment changes, and similar services, for which the carrier is reimbursed in whole or in part, or for which a charge is made by the carrier.
- (12) Routine work to prevent service interruptions and to obtain the highest possible service efficiency from the operated plant performed by such employees as maintenance engineers, maintenance men, repair men, and their helpers, and by other employees whose duties include the full time or part time performance of analogous maintenance functions.

(b) The cost of maintenance does not include the cost of replacing items of plant designated as "retirement units." (See also § 34.1-6-1.)

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(c) The records supporting the entries in these accounts shall be so maintained that in the reports to this Commission the maintenance expenses may be shown separately for (1) plant owned and operated by the carrier and (2) plant leased from others. When it is necessary to apportion the maintenance expenses between plant owned and used and plant leased, the carrier shall be prepared to describe the basis of such apportionment.

NOTE: Expenses incurred on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be included in account 4430, "Injuries and damages."

§ 34.41-6 *Conducting-operations expenses.* The expenses of conducting radiotelegraph operations shall be charged to the appropriate accounts during the month when such expenses are incurred. When it is impracticable to determine the amount of expenses applicable to a particular account, the amount shall be entered in an appropriate clearing account and the portion considered applicable to conducting operations shall be cleared as at the end of the month by transfer to the appropriate account. (See also § 34.03-17.)

§ 34.41-7 *Accounting for electron tubes.* (a) When electron tubes are placed into service, the account that includes the cost of the plant with which the electron tubes are associated shall be charged with the cost of the tubes.

(b) When electron tubes are replaced, without retirement and replacement of any unit of plant of which such tubes form a part, the cost of the new tubes shall be charged to account 4132, "Electron-tube replacements," or account 4135, "Maintenance of mobile station equipment," as appropriate. Electron tubes shall be considered as minor items for retirement purposes. (See also § 34.03-15.)

(c) If electron tubes are repaired, the cost of such repairs shall be charged to account 4125, "Maintenance of fixed and land station transmission equipment," or account 4135, "Maintenance of mobile station equipment," as appropriate.

§ 34.41-99 *Contemplated form of operating expense statement.* (See § 34.03-9.)

Account No.	Particulars	Amount
(a)	(b)	(c)
	<i>Maintenance expenses</i>	
4110	Supervision of maintenance.....	\$.....
4115	Maintenance of real estate.....	.....
4120	Maintenance of fixed and land station aerial systems and lines.....	.....
4125	Maintenance of fixed and land station transmission equipment.....	.....
4130	Maintenance of furniture and office equipment.....	.....
4132	Electron-tube replacements.....	.....
4135	Maintenance of mobile station equipment.....	.....
4198	Maintenance-expense equalization.....	.....
4199	Other maintenance expenses.....	.....
	Total maintenance expenses.....	\$.....

Account No.	Particulars	Amount
(a)	(b)	(c)
	<i>Conducting-operations expenses</i>	
4210	Supervision of operations.....	\$.....
4215	Operators' wages.....	.....
4216	Wages of station attendants.....	.....
4222	Wages of operating-office clerks.....	.....
4225	Operating power.....	.....
4230	Traffic damages.....	.....
4235	Traffic-damage expense.....	.....
4240	Telephone service—Message transmission.....	.....
4243	Rent for operating offices.....	.....
4245	Rent for other facilities.....	.....
4250	Advertising.....	.....
4255	Soliciting.....	.....
4260	Obtaining stock and commercial news.....	.....
4270	Commissions—Dr.....	.....
4275	Commissions—Cr.....	.....
4281	Messengers' wages.....	.....
4283	Messengers' uniform expense.....	.....
4289	Other messenger service expense.....	.....
4290	Other employees' wages.....	.....
4295	Supplies—Operating offices.....	.....
4299	Other conducting-operations expenses.....	.....
	Total conducting-operations expenses.....	\$.....
	<i>Administrative expenses</i>	
4310	Salaries of general officers and executives.....	\$.....
4315	Expenses of general officers and executives.....	.....
4320	Salaries of general office employees.....	.....
4325	Expenses of general office employees.....	.....
4399	Other administrative expenses.....	.....
	Total administrative expenses.....	\$.....
	<i>General expenses</i>	
4410	Legal services.....	\$.....
4415	General services, licenses, and royalties—Dr.....	.....
4420	General services, licenses and royalties—Cr.....	.....
4425	Insurance.....	.....
4430	Injuries and damages.....	.....
4435	Relief and pensions.....	.....
4445	Rest and lunch room expenses.....	.....
4450	Rent for offices.....	.....
4455	Other rents.....	.....
4460	Franchise requirements—Dr.....	.....
4465	Franchise requirements—Cr.....	.....
4470	Supplies.....	.....
4475	Training employees.....	.....
4480	House service.....	.....
4499	Other general expenses.....	.....
	Total general expenses.....	\$.....
	Total operating expenses ¹	\$.....

¹ Amount transferred to account 4000, "Operating expenses."

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

Maintenance Expenses

§ 34.4110 *Supervision of maintenance.* (a) This account shall include the salaries and the office and other expenses of officers, superintendents, engineers, architects, special consultants, and field supervisors engaged exclusively in supervising or directing maintenance work; also similar expenses of the office and field forces of such supervisory personnel, including assistants, clerks, stenographers, and other immediate subordinates.

(b) This account shall include the amounts of expenses applicable to maintenance that are transferred from the clearing accounts. (See also § 34.90-2.)

(c) This account shall be subdivided as follows:

4110:01 Salaries and wages.
4110:99 Other expenses.

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(See § 34.03-12)

Automobile service, including charges through clearing account 9015, "Vehicle expense—Undistributed."
Meals, including payments therefor on account of overtime work.
Postage, printing, and stationery.
Salaries and wages.
Supplies.
Travel expenses.

§ 34.4115 *Maintenance of real estate.*

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in the accounts provided for real estate (accounts 11 to 14, inclusive) and similar operated plant leased from others.

(b) This account shall be subdivided as follows:

4115:01 Salaries and wages.
4115:02 Materials and supplies.
4115:99 Other expenses.

ITEMS

(See particularly §§ 34.03-12 and 34.41-5)

(Land)

Maintaining public improvements, including assessments covering such work.
Maintaining soil conservation (anti-erosion) methods and devices.
Minor improvements to land.
Restoring the condition of land damaged in the course of repairs, replacements, additions, or betterments.
Restoring the grade and similar repairs occasioned by floods and other action of the elements.

(Land improvements)

Maintaining fences and retaining walls.
Maintaining fountains, pools, and ponds.
Maintaining hedges, shrubbery, and trees.
Maintaining lawns, flower plots, and ornamental plants.
Maintaining non-permanently surfaced paths, walks, or other passageways.
Maintaining ornamental terraces and statuary.
Maintaining roads and sidewalks.
Maintaining tennis courts, outdoor swimming pools, or other recreational equipment on company owned (or maintained) grounds when primarily for the use of company employees.
Maintaining yard lighting equipment.
Maintaining yards and grounds.

(Drainage, sewerage, gas, and water systems)

Flushing.
Inspecting.
Minor improvements and rearrangements.
Repairing structures, machinery, pipe lines, reservoirs, and similar items.
Restoring condition of drainage, sewerage, gas, and water systems damaged in the course of repairs, replacements, additions, or betterments.

(Buildings)

Changing location of partitions. (See also notes D and E to this account.)
Minor alterations to buildings and quarters. (See also note F to this account.)
Repainting and repapering buildings, including redecorating interiors of buildings.
Repairing building machinery, fixtures, appliances, and appliances, such as elevators, plumbing, and equipment for heating, lighting, and ventilating.
Repairing rented buildings and quarters, except when the rented property is used in operations the expense of which is chargeable to other accounts. (See also § 34.1-5.)

Replacing and repairing awnings, screens, window shades and ventilators, storm doors, storm windows, movable partitions, and similar movable minor items of buildings. (See also note E to this account.) Restoring condition of buildings damaged in the course of repairs, replacements, or additions. (See also note F to this account.)

NOTE A: The cost of initial improvements in the preparation for service of either leased or purchased land; land improvements; drainage, sewerage, gas, and water systems; and buildings shall be charged to the appropriate operated plant account, except when such improvements are of relatively minor cost or short life or the period of the lease is less than 1 year. (See also §§ 34.1-1, 34.1-2, and 34.1-5.)

NOTE B: The cost of maintenance of land; land improvements; drainage, sewerage, gas, and water systems; and buildings, the investment in which is includible in account 1610, "Miscellaneous physical property," shall be charged to account 5110, "Income from miscellaneous physical property."

NOTE C: The cost of maintenance of land used for right of way shall be charged to account 4120, "Maintenance of fixed and land station aerial systems and lines."

NOTE D: Any substantial increase or decrease in partitions resulting from such changes therein shall be accounted for as additions or retirements, as appropriate.

NOTE E: When partitions of a movable type are replaced by partitions of a permanent type or vice versa, the costs involved shall be accounted for through the plant and depreciation allowance accounts.

NOTE F: The cost of minor building alterations incident to the installation of equipment, such as opening and closing holes in ceilings, partitions, walls, and floors to permit installation of equipment, power conduit and wiring, shall be charged to the account appropriate for the class of equipment installed.

§ 34.4120 Maintenance of fixed and land station aerial systems and lines.

(a) This account shall include the amount of expenses incurred in maintaining (1) plant the cost of which is includible in accounts provided for fixed and land station aerial systems and lines (accounts 21 to 27, inclusive), (2) similar operated plant leased from others, and (3) the right of way therefor.

(b) This account shall be subdivided as follows:

- 4120:01 Salaries and wages.
- 4120:02 Materials and supplies.
- 4120:99 Other expenses.

ITEMS

(See particularly §§ 34.03-12 and 34.41-5)

Cutting out or cutting in slack in wires. Moving plant in connection with road and street changes. (See also § 34.1-6.) Painting and treating towers, masts, poles, foundations, markers, and similar items subsequent to their installation. Repairs to tuning coil shelters and sleet-melting equipment. Relocating poles. Respacing poles and crossarms. Right-of-way adjustments, cost of, when no additional rights are acquired. Straightening poles and crossarms. Tightening anchors, guys, and other appurtenances and raking guy poles. Transferring wire in connection with replacement of towers, masts, and poles. Trenching poles. Trimming trees, cutting underbrush, and other work to maintain previous clearance of right of way.

Work on the property of others in connection with maintenance of aerial systems and lines.

§ 34.4125 Maintenance of fixed and land station transmission equipment.

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in the accounts provided for fixed and land station transmission equipment (accounts 31 to 41, inclusive) and similar operated plant leased from others.

(b) This account shall be subdivided as follows:

- 4125:01 Salaries and wages.
- 4125:02 Materials and supplies.
- 4125:99 Other expenses.

ITEMS

(See particularly §§ 34.03-12 and 34.41-5)

Adding acid and water to batteries and reading specific gravity, current drain, and voltage of batteries. Calibrating thermocouples and other instruments. Cleaning, lubricating, and adjusting the equipment. Grinding used crystals for reuse. Inspecting and testing after repairs have been made. Refinishing and repairing used equipment for reuse. Relocating and rearranging equipment. Removing sediment from storage batteries. Repairing and adjusting meters. Repairing electron tubes. Repairing storage batteries, including replacing of minor items. Replacing fuses, indicating-lights, and cords. Servicing message-conveyer equipment. Tools and other individual items of equipment—items of small cost or short life, cost and repairs of.

§ 34.4130 Maintenance of furniture and office equipment.

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in account 51, "Furniture and office equipment," and similar operated plant leased from others.

(b) This account shall be subdivided as follows:

- 4130:01 Salaries and wages.
- 4130:02 Materials and supplies.
- 4130:99 Other expenses.

§ 34.4132 Electron-tube replacements.

This account shall include the amount of expenses incurred in replacing electron tubes, the initial cost of which is includible in the operated plant accounts provided for fixed and land station transmission equipment. (See also § 34.41-7 and account 4135.)

§ 34.4135 Maintenance of mobile station equipment.

(a) This account shall include the amount of expenses incurred in maintaining plant the cost of which is includible in the accounts provided for mobile station equipment (accounts 61 to 69, inclusive), and similar operated plant leased from others.

(b) This account shall include also the amount of expenses incurred in replacing electron tubes, the initial cost of which is includible in the operated plant accounts provided for mobile station equipment. (See also § 34.41-7.)

(c) This account shall be subdivided as follows:

- 4135:01 Salaries and wages.
- 4135:02 Materials and supplies.
- 4135:99 Other expenses.

ITEMS

(See particularly §§ 34.03-12 and 34.41-5)

Lists given under accounts 4120 and 4125 with respect to comparable equipment are applicable to this account.

§ 34.4198 Maintenance-expense equalization. (a) This account shall be charged with such amounts as this Commission may authorize or direct to be credited to account 2220, "Provisions for equalization of maintenance expenses," under a plan to equalize maintenance expenses.

(b) When maintenance work for which provision has been made in this account is performed, the cost of such work shall be charged to the appropriate maintenance accounts. Concurrently this account shall be credited and account 2220, "Provisions for equalization of maintenance expenses," shall be charged with an amount equal to the cost of such maintenance work.

§ 34.4199 Other maintenance expenses. (a) This account shall include the amount of maintenance expenses not provided for elsewhere.

(b) This account shall be subdivided as follows:

- 4199:01 Salaries and wages.
- 4199:02 Materials and supplies.
- 4199:99 Other expenses.

CONDUCTING-OPERATIONS EXPENSES

§ 34.4210 Supervision of operations. This account shall include the salaries of officers, superintendents, engineers, special consultants, and field supervisors engaged exclusively in supervising or directing operations. (See also par. (b) of § 34.03-17.)

§ 34.4215 Operators' wages. This account shall include the salaries and wages of operators (including printer operators) engaged in the transmission of messages; also commissions paid in lieu of or in addition to such salaries or wages.

NOTE: The amount of salaries and wages of traffic employees attending supplemental training or postgraduate operating schools shall be charged to account 4475, "Training employees."

§ 34.4216 Wages of station attendants. This account shall include the salaries and wages of station attendants, whether designated as attendants, operators, engineers, or electricians, whose principal duties consist of watching and regulating the operation of transmission equipment.

§ 34.4222 Wages of operating-office clerks. This account shall include the pay of bookkeepers, clerks, and attendants engaged in the receiving and delivering of messages at counters or telephones, quoting rates, collecting charges, keeping accounts, and performing other clerical duties in operating offices.

§ 34.4225 Operating power. (a) This account shall include the cost of power for transmitting traffic and operating signals. It shall include the cost of electricity purchased, the cost of fuel and

other supplies used, and the expenses incurred in the generation, conversion, and storage of current for operating the carrier's transmission equipment, battery-charging machines, and for other operating power requirements; also the salaries, wages, and expenses of engineers and other attendants and employees engaged in the generation, conversion, and storage of such current.

(b) This account shall be subdivided as follows:

- 4225:01 Power purchased.
4225:02 Power generated.

NOTE A: Payments for installation of permanent power circuits for emergency use shall be charged to the appropriate plant account.

NOTE B: The cost of power used for house service purposes shall be charged to account 9035, "House service expense—Undistributed," or other account, as appropriate.

§ 34.4230 *Traffic damages.* (a) This account shall include the amount of obligations incurred in settlement of damages arising out of claims of delays and errors in service, including amounts of revenues refunded in partial or complete settlement of such claims.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts of settlements made during the accounting period with respect to delayed-delivery, nondelivery, error, and other causes under the following subdivisions:

- 4230:01 Amounts with respect to messages.
4230:02 Amounts with respect to money transfers.

(c) There shall be classed as delayed-delivery claims those arising from delays in transmission or delivery; as nondelivery claims, those arising from failure to deliver; as error claims, those arising from error in transmission or delivery, except such as may be classified as delayed-delivery or nondelivery claims; and as other types of claims, those arising from causes not shown above, such as libel, fraud, and similar bases.

NOTE: Payments on account of injuries to persons or damage to property of others shall be charged to account 1300, "Plant under construction," or account 4480, "Injuries and damages," as appropriate.

§ 34.4235 *Traffic - damage expense.* This account shall include the amount of expenses incurred in connection with closing claims for traffic damages, including court costs, the pay and expenses of witnesses, and the legal and other expenses or costs incurred in connection with investigating, defending, or settling traffic-damage claims.

§ 34.4240 *Telephone service—Message transmission.* This account shall include the amount of expenses incurred for telephone service used in the receiving, forwarding, or terminating of radiotelegraph messages. (See also paragraph (a) of § 34.03-17 and account 4222, "Wages of operating-office clerks.")

NOTE: Amounts of expenses relating to telephone service used primarily for other purposes shall be included in the expense account appropriate to the predominant use of such service (with the option of more detailed distribution).

§ 34.4243 *Rent for operating offices.* This account shall include the amount of expenses incurred as rents for space used for operating offices. (See also subparagraph (1) of paragraph (b) of § 34.03-5 and accounts 4245, "Rent for other facilities," 4450, "Rent for offices," and 4940, "Rent for lease of operated plant.")

§ 34.4245 *Rent for other facilities.* This account shall include the amount of expenses incurred as rents for the use of facilities other than space or leased plant (comprising substantially complete operating systems or operating units held in exclusive possession by the lessee). It shall include rents for such equipment as ducts, conduit, lands, pole lines, circuits, conductors, and transmitting and receiving equipment. (See also accounts 4243, 4450, and 4940.)

§ 34.4250 *Advertising.* This account shall include the amount of expenses incurred in connection with commercial advertising for promoting the further use of radiotelegraph service, such as the cost of newspaper advertisements, literature, and similar expenses.

ITEMS

(See § 34.03-12)

Announcements of rate changes. (See also note A to this account.)

Commercial advertisements in newspapers and magazines. (See also note A to this account.)

Commercial advertising matter, such as posters, bulletins, booklets, and related items. (See also note A to this account.)

Electric current consumed in illuminating signs.

Exhibits in connection with industrial exhibitions, expenses of.

Lecture and demonstration tours for traffic promotion purposes.

Managers and their office forces in charge of advertising, expenses of.

Radio advertising programs.

Window displays.

NOTE A: The cost of newspaper advertisements, literature, and similar expenses other than for commercial advertising purposes, such as advertisements of stock and bond issues, advertising for employees, and notices of dividends declared, shall be charged to the accounts appropriate for such costs.

NOTE B: The cost of flags, bunting, and similar expenses of decorating buildings shall be charged to account 9035, "House-service expense—Undistributed."

§ 34.4255 *Soliciting.* (a) This account shall include the salaries, wages, and expenses of solicitors engaged in canvassing for business and interviewing customers for promoting the further use of radiotelegraph service, and shall include also expenses in connection with furnishing copies of tariffs and notices of changes to the public.

(b) This account shall be subdivided as follows:

- 4255:01 Salaries and wages of solicitors.
4255:99 Other expenses.

ITEMS

(See § 34.03-12)

Canvassers and solicitors, pay and expenses of.

Managers and their office forces in charge of solicitors, expenses of.

Public distribution of tariffs and notices of changes, expenses of.

Travel expenses.

§ 34.4260 *Obtaining stock and commercial news.* This account shall include the amount of expenses incidental to the gathering of information relative to stock and other market quotations, transactions in securities, sporting news, election returns, marine reports, and similar items subsequently disseminated as stock and commercial news to subscribers.

§ 34.4270 *Commissions—Dr.* (a) This account shall include the amount of commissions (including flat-rate payments per metropolitan zone for terminal messenger service) paid to communication carriers, transportation carriers, hotels, service stations, or other persons other than employees, for services rendered in originating and terminating radiotelegraph messages or for similar commercial communication services. (See also § 34.31-3.)

(b) This account shall be subdivided as follows:

- 4270:01 Commissions paid to communication carriers.
4270:02 Commissions paid to transportation carriers.
4270:03 Commissions paid to other types of public utilities.
4270:99 Commissions paid to others.

§ 34.4275 *Commissions—Cr.* This account shall include the amount of commissions (including flat-rate charges per metropolitan zone for terminal messenger service) received from other carriers for services rendered in originating and terminating messages or for similar commercial communication services. (See also § 34.31-3.)

§ 34.4281 *Messengers' wages.* This account shall include the wages of messengers and commissions paid to messengers in lieu of or in addition to wages. (See also account 4270, "Commissions—Dr.")

NOTE: The amount of salaries, wages, and expenses of employees attending supplemental training or postgraduate schools shall be charged to account 4475, "Training employees."

§ 34.4283 *Messengers' uniform expense.* (a) This account shall include the cost of messenger uniforms purchased for use by the carrier in communication service.

(b) This account shall be charged with the amounts of expenses incurred in altering, repairing, cleaning, and pressing uniforms.

§ 34.4289 *Other messenger service expense.* This account shall include the amount of expenses incurred in furnishing messenger service not provided for elsewhere.

ITEMS

(See § 34.03-12)

Automobile service, including charges through clearing account 9015, "Vehicle expense—Undistributed."

Carfare.

Licenses for bicycles and other vehicles used in messenger service.

Meals, including payments therefor on account of overtime work.

Messengers, expenses of. (See also account 4283.)

Registration fees for vehicles used in messenger service.

§ 34.4290 Other employees' wages. This account shall include the wages and the expense for subsistence furnished employees in lieu of wages of employees engaged in any phase of conducting operations not provided for elsewhere.

§ 34.4295 Supplies—Operating offices. This account shall include the cost of supplies used in conducting operations.

ITEMS

(See § 34.03-12)

Message blanks.
Postage, stationery, and printing.
Printer tape.

§ 34.4299 Other conducting-operations expenses. This account shall include the expenses of operators, station attendants, and operating-office clerks whose wages and salaries are included in accounts 4215, 4216, and 4222, respectively, and the amount of other expenses incurred in conducting operations not provided for elsewhere.

Administrative Expenses

§ 34.4310 Salaries of general officers and executives. This account shall include the compensation (salaries, bonuses, and other consideration for services) of officers and executives of the carrier, properly chargeable to radiotelegraph operations and not chargeable directly to a particular function. (See also § 34.03-17.)

NOTE: Fees and expenses of directors who are also officers or executives shall be charged to account 4499, "Other general expenses."

§ 34.4315 Expenses of general officers and executives. This account shall include the expenses incurred for the benefit of the carrier in its radiotelegraph operations by officers and executives whose compensation is includible in account 4310, "Salaries of general officers and executives," and which are not chargeable directly to a particular function.

ITEMS

(See § 34.03-12)

Hotel expenses.
Meals, including payment therefor on account of overtime work.
Travel expenses.

§ 34.4320 Salaries of general office employees. This account shall include the compensation (salaries, bonuses, and other consideration for services) of employees engaged in the general offices of the carrier properly chargeable to radiotelegraph operations and not chargeable directly to a particular function. (See also § 34.03-17.)

§ 34.4325 Expenses of general office employees. This account shall include the expenses incurred for the benefit of the carrier in its radiotelegraph operations by general office employees whose compensation is includible in account 4320, "Salaries of general office employees," and which are not chargeable directly to a particular function.

ITEMS

(See § 34.03-12)

Hotel expenses.
Meals, including payment therefor on account of overtime work.
Travel expenses.

§ 34.4399 Other administrative expenses. This account shall include the amount of expenses incurred in carrying out administrative functions not provided for elsewhere.

General Expenses

§ 34.4410 Legal services. This account shall include amounts payable to persons, other than officers and employees of the carrier, for legal services and related expenses that are not chargeable to other operating expense accounts or to clearing or plant accounts.

NOTE: The pay and expenses of the legal staff of the carrier shall be included in account 4310, "Salaries of general officers and executives," account 4315, "Expenses of general officers and executives," account 4320, "Salaries of general office employees," or account 4325, "Expenses of general office employees," as appropriate.

§ 34.4415 General services, licenses, and royalties—Dr. (a) This account shall include the amount of expenses incurred for services received under a licensing agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each furnisher of the service with respect to each class of service furnished. If the costs incurred in the first instance by the person furnishing the service are apportioned to several recipients thereof, the records of the carrier served shall indicate the aggregate cost of the furnishing person and the method of apportionment to the recipient carrier.

§ 34.4420 General services, licenses, and royalties—Cr. (a) This account shall be credited with amounts accruing (other than profits realized) from services rendered others under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) Minor amounts of profits from such arrangements may be included in this account. (See also account 5020, "Profit from general services, licenses, and royalties.")

NOTE: Revenue from the maintaining and servicing of station equipment shall be included in account 3805, "Revenue from furnishing and servicing stations."

§ 34.4425 Insurance. (a) This account shall include the cost of insurance to protect the carrier against losses and damages to owned or leased property used in its radiotelegraph services, and the amount of insurance premiums paid in compliance with statutes requiring the carrier to provide for workmen's compensation or similar employee protection, except such costs as are includible in the clearing accounts. There shall be included in this account the amounts of premiums payable to insurance companies for other than reinsurance of self-carried insurance, and amounts credited to account 2215, "Provisions for self-car-

ried insurance," for fire, storm, burglary, boiler explosion, lightning, and other insurance; special costs incurred in procuring insurance, such as insurance inspection service; and the pay, travel, and other expenses of officers, clerks, and other employees of an insurance department.

(b) Amounts received from insurance companies as insurance dividends or refunds of premiums shall be credited to this account.

(c) The records supporting the entries in this account shall be so maintained as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums.

(d) This account shall be subdivided as follows:

4425:01 Property insurance premiums.
4425:02 Other insurance premiums.
4425:03 Provisions for self-carried insurance.
4425:99 Other insurance costs.

NOTE A: Recoveries from insurance companies or others shall be accounted for as provided in account 2215, "Provisions for self-carried insurance."

NOTE B: Premiums on life insurance and annuities of officers and employees where the carrier is not the beneficiary shall be included in account 4435, "Relief and pensions."

§ 34.4430 Injuries and damages.

(a) This account shall include losses, not covered by insurance, on account of injuries to or deaths of employees or others, which occur in connection with radiotelegraph operations, and payments and expenses on account of damages to the property of others whether the loss be occasioned by fire, flood, storm, or other cause. This account may be charged monthly with amounts sufficient to meet the probable liability for such losses, concurrent credits being made to account 2215, "Provisions for self-carried insurance," in which case losses sustained shall be charged to that account.

(b) This account shall include (1) the pay and expenses of officers and employees regularly engaged in or specifically assigned to work in connection with injuries to employees or others and damages to property of others, (2) payments to attorneys, investigators, and adjusters, and (3) court costs and similar items, except such items as are provided for in the clearing accounts.

(c) Amounts in reimbursement of payments for injuries and damages charged to this account shall be credited hereto.

NOTE A: Payments to or on behalf of employees, including accident and death benefits, hospital expenses, and medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, and similar payments or amounts provided for such payments through a plan for employees' benefits, shall be charged to account 4435, "Relief and pensions."

NOTE B: There shall not be included in this account the amounts of premiums for insurance of the lives of officers and employees or the cost of injuries and damages chargeable directly to the operated plant, clearing, or other accounts.

§ 34.4435 Relief and pensions. (a) This account shall include pensions or other benefits paid to active and retired

employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit, and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits.

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current pay rolls, which together with interest accruals on the trust funds, will as nearly as may be, provide for the payment of such pensions or for the purchase of annuities corresponding thereto. The amounts so charged shall be concurrently credited to account 2210, "Provisions for employees' pensions and welfare." The amounts accrued in each year shall correspond to the aggregate of the amounts expended directly by the carrier for pensions or annuities during the year and amounts paid into the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

(c) Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve or to account 6299, "Other extraordinary income charges." If a carrier pays into its pension trust fund the amount of its existing pension reserve, any such amounts in excess of provision for pensions granted prior to the adoption of the accrual plan may be applied in whole or in part to the adjustment of future accrual charges.

(d) Before adopting the accrual plan of accounting for pensions the carrier shall inform this Commission of the details of its pension plan, giving full statement of the facts which in its judgment establish a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established. Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals recorded in the accounts under the plan without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to this Commission for its consideration and approval.

(e) No charges to this account shall be made in anticipation of discretionary pension payments in the future.

(f) This account shall include also, under a separate subaccount, amounts accrued to provide for the payment of termination allowances or similar benefits to employees of the carrier when such employees are laid off because of lack of work, and to provide necessary and warranted relief to former employees.

Charges to this subaccount shall be made only after approval by this Commission of the carrier's plan for administering payments for these purposes and of the amount of the accruals. Amounts charged to this subaccount shall be concurrently credited to account 2210, "Provisions for employees' pensions and welfare."

(g) There shall be credited to this account that portion of each class of relief and pensions assigned to construction and custom-work labor.

ITEMS

(See § 34.03-12)

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.
Employees of relief, benefit, and general medical departments, pay and expenses of.
Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.
Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.
Medical supplies.
Office supplies.
Postage, printing, and stationery.
Premiums paid for group insurance for the benefit of employees or their beneficiaries.
Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.
Travel expenses.

§ 34.4445 *Rest and lunch room expenses.* (a) This account shall be charged with the amount of expenses incurred in operating rest and lunch rooms for employees, including the cost of meals provided. This includes the cost of operating such facilities as rest rooms, quiet rooms, reading rooms, medical rooms, locker rooms, check rooms, sleeping rooms, and dormitories.

(b) This account shall be credited with amounts paid to the carrier for meals and other services the expense of which is included in this account.

ITEMS

(See §§ 34.03-12 and 34.03-17)

Bedding.
Dishes.
Electric power for cooking, refrigeration, or operating kitchen equipment.
Food supplies.
Fuel for cooking.
Handling orders and bills for supplies.
Ice for refrigeration.
Laundry.
Linen.
Lunch room managers, cooks, cashiers, waiters, and other employees, pay and expenses of.
Medical supplies, including first-aid materials.
Newspapers, magazines, phonograph records, and radio-tube replacements.
Nurses, matrons, and attendants for employees' quarters, pay and expenses of.
Postage, printing, and stationery.
Silverware.
Uniforms.

§ 34.4450 *Rent for offices.* This account shall include the amount of expenses incurred as rent for the use of space in buildings occupied by the carrier for general purposes. (See also subpar. (1) of par. (b) of § 34.03-5 and accounts 4243, "Rent for operating offices," 4245, "Rent for other facilities," and 4940, "Rent for lease of operated plant.")

§ 34.4455 *Other rents.* This account shall include amounts payable for operating rents not provided for elsewhere.

§ 34.4460 *Franchise requirements—Dr.* (a) This account shall include the cost, not provided for in account 82, "Franchises," of services, plant, material and supplies, and similar items furnished to governmental authorities in compliance with franchises, ordinances, or similar requirements and for which no direct compensation is received by the carrier. It shall include the cost of paving and of premiums on indemnity or similar bonds required under the general terms of a franchise or ordinance and not in connection with specific construction or maintenance work.

(b) This account shall include amounts paid for franchises running for 1 year or less after acquisition and may include direct charges for franchises acquired at small cost.

(c) There shall be charged to this account and credited to account 4465, "Franchise requirements—Cr.," an amount equal to the revenues that would be derived at published tariff rates from radiotelegraph services furnished to governmental agencies in compliance with franchises, ordinances, or similar requirements that require that services be furnished without direct compensation.

NOTE A: The cost of plant, supplies, and similar items given as an initial consideration for a franchise running for more than 1 year shall be charged to account 82, "Franchises."

NOTE B: Franchise taxes paid annually or more frequently shall be charged to account 4932, "Other taxes—Operating."

NOTE C: The cost of operated plant furnished to a governmental agency without charge or used by the carrier in rendering services to a governmental agency without charge, shall be included in the appropriate plant accounts and the maintenance expenses incurred in connection with such operated plant shall be charged to the appropriate maintenance accounts.

NOTE D: The cost of constructing, or of changing the location of, operated plant to conform with governmental requirements, including such work required under the provisions of a franchise or ordinance, shall be charged to the maintenance-expense, operated plant, and allowance-for-depreciation accounts appropriate for the work performed.

§ 34.4465 *Franchise requirements—Cr.* This account shall be credited with amounts charged to account 4460, "Franchise requirements—Dr.," under the provisions of paragraph (c) of that account.

§ 34.4470 *Supplies.* This account shall include the cost of supplies used in connection with the general functions of the carrier's radiotelegraph operations. (See account 4295, "Supplies—Operating offices," and subpar. (1) of par. (b) of § 34.03-5.)

ITEMS

(See § 34.03-12)

Office supplies.
Postage, stationery, and printing.

§ 34.4475 *Training employees.* This account shall include the amount of expenses incurred in the employment and training of employees of the carrier.

ITEMS

(See §§ 34.03-12 and 34.03-17)

Advertising for employees, cost of.
 Employees attending supplemental training or postgraduate schools, pay and expenses of.
 Instructors, messengers, supervisors, and others employed in training schools, pay and expenses of.
 Personnel officers and employees engaged in interviewing applicants and hiring employees, pay and expenses of.
 Supplies.

§ 34.4480 *House service.* (a) This account shall include the amount of expenses incurred in the operation of offices and buildings (whether owned or rented) used in connection with the general functions of the carrier's radiotelegraph operations.

(b) This account shall include the amounts of house service expenses applicable to general functions that are transferred from account 9035, "House-service expense—Undistributed." (See also par. (b) of § 34.03-5.)

§ 34.4499 *Other general expenses.* This account shall include the amount of operating expenses not includible in other accounts.

ITEMS

(See § 34.03-12)

Commissions paid agents for leasing space to others in buildings partly occupied by the carrier in connection with its communication operations.
 Conventions and meetings of the industry, contributions for.
 Fees and expenses of directors.
 Patents having an estimated service life of 1 year or less and patents acquired at small cost, amounts paid for.
 Research and development work, not includible in other accounts, cost of. (See also § 34.03-10.)

CLEARING ACCOUNTS

INSTRUCTIONS

§ 34.90-1 *Purpose of clearing accounts.* The clearing accounts are provided as a medium for the distribution of certain amounts which affect more than one account.

§ 34.90-2 *Disposition of balances in clearing accounts.* (a) The balances in the clearing accounts shall be distributed to the appropriate supervision or other accounts not later than the close of the calendar year unless amounts included therein appropriately affect the accounting for future periods.

(b) Undistributed balances (other than the balance in account 9030, "Supply expense—Undistributed") shall be included in the balance sheet under account 1940, "Debit balances in clearing accounts," or account 2320, "Credit balances in clearing accounts," as appropriate.

(c) The carrier's records shall be so maintained that an analysis of undistributed items in clearing accounts at the close of the calendar year may be shown in the reports to this Commission.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

§ 34.9010 *Research and development—Undistributed.* (a) This account shall be

charged with the costs incurred in maintaining laboratories and experimental stations for the development of equipment, the costs of research conducted for the purpose of improving operations, and other analogous items. (See also § 34.03-10.)

(b) This account shall be cleared by charging the appropriate accounts with the applicable amounts contained herein.

(c) The records supporting the entries in this account shall be so maintained as to show the amount and nature of each transaction recorded herein.

ITEMS

(See § 34.03-12)

Depreciation.
 Electron tubes.
 Heat, light, and power.
 Maintenance.
 Material and supplies.
 Rent.
 Repairs.
 Royalties.
 Salaries, wages, and expenses of employees.
 Small tools.

NOTE: Amounts included in this account applicable to projects that have been abandoned shall be cleared by charges to account 6299, "Other extraordinary income charges," unless otherwise authorized or directed by the Commission.

§ 34.9015 *Vehicle expense—Undistributed.* (a) This account shall include maintenance, depreciation, and other expenses applicable to vehicles that are not included in other accounts at the time they are incurred.

(b) This account shall be cleared by apportionment to operating-expense, plant, or other accounts benefited on such basis as will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Depreciation.
 Heat, light, and power.
 Maintenance.
 Material and supplies.
 Rent.
 Repairs.
 Salaries, wages, and expenses of employees.
 Small tools.

§ 34.9020 *Shop, tool, and implement expense—Undistributed.* (a) This account shall include maintenance, depreciation, and other expenses applicable to shop equipment, tools, and implements and the cost of material, labor, supplies, and other items incidental to repair work in the carrier's own shops that are not included in other accounts at the time they are incurred. (See also subpar. (2) of par. (c) of § 34.1-3.)

(b) This account shall be cleared by apportionment to operating-expense, plant, or other accounts benefited on such basis as will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Depreciation.
 Heat, light, and power.
 Maintenance.
 Material and supplies.
 Rent.
 Repairs.
 Salaries, wages, and expenses of employees.
 Small tools.

§ 34.9025 *Plant-supervision expense—Undistributed.* (a) This account shall be charged initially with the salaries and the office and other expenses of officers, superintendents, engineers, architects, special consultants, and field supervisors engaged exclusively in supervising and directing both maintenance and construction work; also the similar expenses of the office and field forces of such officers and employees.

(b) This account shall be cleared by allocation to the operated plant accounts, to account 4110, "Supervision of maintenance," and to other appropriate accounts, on such basis as will equitably distribute the amounts contained herein.

NOTE: The salaries and the office and other expenses of foremen and inspectors in direct charge of maintenance, construction, or removal work shall not be included in this account but shall be charged direct to the accounts appropriate for the class of work performed.

ITEMS

(See § 34.03-12)

Books and periodicals.
 Plant supervising officers and their staffs, including engineers, office and field forces charged with planning for and superintending maintenance, construction, and plant removal work—pay and expenses of.
 Postage, printing, and stationery.
 Rent and repairs of offices.
 Supplies.
 Tools and instruments of small value or short life.

§ 34.9030 *Supply expense—Undistributed.* (a) This account shall include the amount of expenses and costs incurred in connection with the purchase, storage, handling, and distribution of material and supplies that are not included in other accounts at the time they are incurred and the amount of depreciation and maintenance applicable to the equipment of storerooms.

(b) Cash and other discounts on material shall be deducted from the cost of the particular material to which they relate or credited to the account to which the material is charged. When impracticable of such treatment they shall be credited to this account.

(c) Transportation charges on material purchased shall be included as a part of the cost of the particular material to which they relate. When impracticable of such treatment they shall be charged to this account. Transportation charges on material recovered from plant retired shall be accounted for as a part of the cost of removal.

(d) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge that will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Books and periodicals.
 Customs duties and excise taxes.
 Depreciation and maintenance of storeroom equipment.
 Insurance against losses and damages to material and supply stock. (See also account 4425, "Insurance.")
 Inventory differences in material and supplies that cannot be assigned to specific accounts. (See also account 1795, "Material and supplies.")

RULES AND REGULATIONS

Losses due to breakage, leakage, evaporation, and fire and other casualties to supply stock not assigned to specific accounts or distributed through the pricing of material and supplies disbursed.

Postage, printing, and stationery.

Purchasing agents, superintendents and supervisors of supplies, managers of stores, storekeepers, clerks, and laborers—pay and expenses of.

Rent and repairs of storehouses, storerooms, storage yards, and other quarters.

Supplies used.

Transportation charges, undistributed.

§ 34.9035 House-service expense—Undistributed. (a) This account shall include the amount of expenses incurred in operating offices and buildings (whether owned or rented) that are not included in other accounts at the time they are incurred.

(b) This account shall be cleared by apportionment to operating-expense or other accounts benefited on such basis as will equitably distribute the amounts contained herein.

ITEMS

(See § 34.03-12)

Building superintendents and others engaged in supervising house-service operations—pay and expenses of.

Cleaning supplies.

Elevators service.

Heat.

Janitor service.

Light.

Postage, printing, and stationery.

Power. (See also account 4225, "Operating power.")

Refrigeration.

Rent and repairs of quarters used in the supervision of general house-service operations other than space used by janitors and similar employees in furnishing house service for a particular building.

Supplies.

RETIREMENT UNITS

§ 34.1-6-1 List of units to be used in connection with the accounting provided in § 34.1-6. (a) The following list of retirement units shall not be considered as items determining the classification of plant (see § 34.03-12) or as property units for use in continuous property-records (see § 34.1-8) but shall be used in connection with the accounting for operated plant retired (see § 34.1-6).

(b) Elimination of or substitution for retirement units listed herein may not be performed without specific authority by the Commission except that items which are not combinations of the listed retirement units may be added without such authority and carriers may account for listed units as maintenance when of small cost and not complete units of operated plant.

(c) This list shall be expanded by the carrier to include complete units of operated plant not shown herein.

(d) The carrier shall report to the Commission, within 45 days after June 30 and December 31 of each year, and as at those dates, all additions which have been made to the list under this authority, all items included in the list which have become obsolete, either as to technical titles or use in the communication service, and the items which the experience of the carrier has shown to involve a small cost only. These reports should

include such other information concerning the list as the carrier may desire to place before the Commission with requests for appropriate action by the Commission in the matters described.

(e) The article "a," "an," or "the," as appropriate, should be read in connection with each retirement unit listed herein.

LAND IMPROVEMENTS (ACCOUNT 12)

Billboard or sign.

Boundary fence, wall, or hedge—continuous length of 50 feet or more.

Branch or spur extending from a main roadway or sidewalk—complete.

Bridge or trestle (foot or road).

Fencing, serving for other than boundary purposes—complete, or continuous length of 50 feet or more.

Gate, ornamental (not associated with fence or wall).

Hard-surface road—complete system, or continuous length of 20 feet or more.

Lawn—complete.

Loading platform.

Railroad spur or siding.

Roadway, curbing, and sidewalk—complete system, or continuous length of 50 feet or more.

Snow barrier or fence.

Store yard—complete.

Swimming pool, tennis court, or similar unit of recreational equipment—complete.

DRAINAGE, SEWERAGE, GAS, AND WATER SYSTEMS (ACCOUNT 13)

Basin.

Branch or main extending from drain or sewer—complete.

Branch or spur extending from main or secondary water pipe—complete, or continuous length of 20 feet or more.

Cesspool or septic tank.

Drain or spillway.

Dike or levee—section of.

Drainage or sewerage system.

Drain or sewer—continuous length of 20 feet or more.

Engine.

Filtration plant.

Gas supply and distribution system serving more than a single building.

Hydrant.

Hydraulic ram—complete installation.

Lawn sprinkler system.

Manhole or handhole.

Motor (2 or more h. p.).

Piping or other water-conducting system—complete, or continuous length of 20 feet or more.

Reservoir.

Shelter or housing for machinery.

Subsurface drain bed.

Water or gas main.

Water pump.

Water system.

Water tank, with or without tower or other support.

Well.

Windmill or windmill tower.

BUILDINGS (ACCOUNT 14)

Air-conditioning or ventilating system.

Automatic stoker.

Boiler.

Building.

Coal or ash conveying system.

Elevator—complete, with operating mechanism.

Fire escape.

Floor-covering for one room.

Furnace.

Gas-burner system.

Heating system.

Hot-water heater.

House-lighting or power board.

Metal window—complete, with box, frame, and sash.

Motor (2 or more h. p.), generator, engine, turbine, pump, compressor, ventilating fan, air washer, elevator drum, or similar item of equipment, with or without associated wiring, control equipment, etc.

Oil-burner system.

Oil tank.

Roof—with or without supporting structures. (A building of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of buildings to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.)

NOTE: In addition to the foregoing retirement units, material (i. e., portions of buildings, equipment, fixtures, etc.) installed and retired, and the labor and incidental costs involved in connection with work of the following character, shall be handled through the plant and depreciation-allowance accounts:

Changes in the type of operation of elevator systems, e. g., a change from manual to automatic control of cars, from manual to power operation of doors, from low speed to high speed, from direct to alternating current, from hydraulic to electric operation, from one type of signaling or dispatching system to another.

Relocation of toilet rooms, battery rooms, kitchens, terminal rooms, machine rooms, transformer vaults, etc.

Structural changes, such as: Reinforcements of floors, roofs, bearing walls, footings, and foundations; additions or relocations of elevator shafts, stairways, fire exits, and vaults, but excluding switchboard cable holes and slots; and building alterations required for fire protection and other safety measures.

Changes in the type of electric current supply, or of ventilating, air-conditioning, or similar systems.

Building enlargements.

Replacements of plumbing or heating pipes (with or without associated valves), except when necessitated by minor repairs or minor relocations of fixtures.

Replacements of all or substantially all the lighting fixtures (with or without associated wiring and conduit) in one operating or equipment room or, in the case of office space, on one floor of a building.

General replacements (throughout a building or throughout an entire portion erected at one time) of items such as supply, return, or air valves in heating systems; hot or cold water valves or faucets; and plumbing, heating, or drainage traps.

TOWERS AND MASTS (ACCOUNT 21)

Beacon light, with or without accessories.

Crossarm or bridge.

Guy and anchor—complete.

Halyard, permanent.

Mast, pole-type or A-frame structure.

Topmast.

Tower.

Tower-lighting system.

Triatic system.

Winch, with or without foundation.

ANTENNA SYSTEMS (ACCOUNT 22)

(Aerial assemblies or arrays)

Antenna—complete.

Single or multiple antenna wire (with or without associated spacers, supporting insulators, and catenary wires, if integral parts of span)—continuous span.

Single "panel" of antenna wire, with supporting wire and insulators.

(Ground or counterpoise systems)

Counterpoise system.

Ground system.

Overhead transmission line for distribution of the current to the ground, wires, or plates.

(Radio-frequency transmission lines)

Filter assembly.
Inside transmission line system.
Transmission branch line.
Transmission line system.

(Tuning and uncoupling coils)

Long-wave tuning coil or uncoupling coil.
Shelter or housing.

(Sleet-melting installations)

Power board.
Power-supply cable.
Shelter, housing, or platform.
Sleet-melting system.
Transformer or bank of transformers.

CONTROL LINES (ACCOUNT 26) AND POWER-SUPPLY LINES (ACCOUNT 27)

Buried cable—a section of 300 feet or more, or a section between manholes, splicing boxes, or pedestals.
Cable, with or without associated suspension strand, clamps, or rings.
Case of equipment, such as loading coils, building-out condensers, carrier-line filters, or auto-transformers.
Field telephone system.
Gas-pressure fault-indicating system.
Manhole.
Pole (i. e., line pole, brace pole, guy pole, or pole forming part of an A or H frame), with or without associated anchors, guys, steps, or other appurtenances.
Special fixtures (i. e., a bridge fixture, a tower, or other special river-crossing or long-span fixture), with or without associated anchors, guys, or other appurtenances.
Underground conduit—a section between a manhole, handhole, or service box and a pole or building.
Underground conduit—a section between two manholes, handholes, or service boxes.
Underground conduit dips between two poles, between a pole and a building, or between two buildings.
Wire, with or without associated insulators or other hardware—two or more continuous spans.

ELECTRON-TUBE TRANSMITTER EQUIPMENT (ACCOUNT 31)

Air ducts system.
Amplifier unit.
Antenna coupling device.
Blower.
Control panel.
Driver or exciter unit.
Generator.
Modulator unit.
Motor (2 or more h. p.).
Oil cooler.
Oscillator unit.
Radiator.
Rectifier unit.
Transformer (25 or more kv-a).
Transmitter—complete, with or without associated wiring or conduits.
Water pump.

OTHER TRANSMITTER EQUIPMENT (ACCOUNT 32)

Alternator, radio frequency.
Amplifier, magnetic.
Arc transmitter.
Armature (associated with main machine of 25 or more h. p.).
Compressor.
Condensers, battery of.
Foundation.
Oil tank.
Pump.
Motor (2 or more h. p.).
Motor generator.
Panel or switchboard.
Rotor.

Spark transmitter.
Transformer (25 or more kv-a).

COOLING APPARATUS (ACCOUNT 33)

Air duct.
Blower.
Brine tank.
Cooling pond.
Cooling pond louver or wind break.
Cooling tower.
Fan, exhaust.
Heat exchanger.
Machine foundation.
Motor (2 or more h. p.).
Pump.
Radiator.
Refrigerating unit.
Spray tower.
Sump.
System of pipes from pump and cooling device to a transmitter or rectifier.
Water still.
Water storage tank.

RECEIVER EQUIPMENT (ACCOUNT 34)

Amplifier unit.
Antenna combining or coupling unit.
Coll box.
Converter unit.
Demodulator or detector unit.
Oscillator unit.
Power-supply panel or unit.
Receiver rack.
Receiving set—complete.
Rejactor coupling unit.
Table or desk used as a mounting.
Tone keyer unit.
Tuner unit.

POWER SUPPLY AND DISTRIBUTION EQUIPMENT (ACCOUNT 36)

(Other than storage battery equipment)

Alternator.
Ash or coal conveyer.
Boller.
Circuit breaker.
Compensator.
Concrete vault.
Control panel.
Feed water condenser.
Generator.
Housing or shelter for pump.
Machine foundation.
Mercury tank.
Motor generator unit.
Motor (2 or more h. p.).
Power plant—complete.
Power substation—complete.
Prime mover.
Pump—fuel oil or feed water.
Rectifier, power.
Switchboard, power.
Starter.
Tank—fuel oil, feed water, or compressed air.
Transformer (25 or more kv-a).
Voltage regulator.

(Storage battery equipment)

Battery—complete, with or without rack, cabinet, or counter.
Battery plates—complete.
Battery rack or cabinet (storage or dry).
Electric motive cells.
Filter assembly, battery charging.
Group of bus bars, cable, or wiring, with or without conduit, such as between:
Battery and fuse panel.
Power switchboard and equipment.
Motor generator.
Rectifier, battery charging.
Switchboard, storage battery.
Tanks or jars—complete set.

CONTROL APPARATUS (ACCOUNT 40)

(Frequency-measuring equipment)

Amplifier unit.
Comparator.
Equipment rack.
Equipment table.
Frequency standard.

Frequency standard check equipment unit.
Harmonic generator or distortion amplifier unit.

Multi-vibrator unit.
Oscillator unit.
Power supply unit.
Radio receiver or unit.
Recorder, time-signal.
Regulator unit.
Shielded frequency-measuring room or booth (not part of a building).
Synchronous clock.
Temperature control box.

(Message transmitting and receiver apparatus)

Automatic transmitter unit or base.
Desk or table fitted with radiotelegraph or other telegraph apparatus.
Error detector unit.
Facsimile machine (transmitting, receiving, or combination).
Ink recorder or undulator.
Photoradio operating table—complete, with wiring, outlets, compressor, etc.
Photoradio receiving recorder.
Photoradio universal transmitting and receiving machine.
Printer, keyboard, page, or tape.
Table or stand used as a mounting for automatic telegraph apparatus or for keyboard printer.
Tape perforator or reperforator, with or without cover or case.
Tape puller.
Tape puller foot control assembly—integral with operating table.
Teletypewriter.
Time stamp (a. c. or d. c.), or entire time-stamp installation.
Typewriter, traffic.
Water-copy wringer or press.

(Message conveyer equipment)

Conveyer belt installation.
Metal chute.
Pneumatic tubing, with or without protective covering—section of.
Tubing blower motor.

(Calling and order-dispatching equipment)

Annunciator system.
Call register.
Microphone and loudspeaker order-dispatching and intercommunicating system.
Microphone—complete, with mounting, connecting cord, etc.
Public-address system.
Telautograph installation.
Telegraph or telephone order-dispatching and intercommunicating system.

(Terminal equipment)

Amplifier rectifier unit.
Amplifier unit.
Board—printer-control, relay, amplifier, line-test, or keyer.
Concentrator for radio or wire-line telegraph circuits, printer circuits, or telephones.
Control booth.
Control desk or console.
Control or switching box.
Converter unit.
Desk or table fitted with radiotelegraph or other telegraph apparatus.
Electrically shielded control room.
Filter-rack installation.
Filter unit.
Fuse panel, with or without associated wiring.
Lamp panel, with or without associated wiring.
Microphone—complete, with mounting, connecting cord, etc.
Mixer panel.
Modulator unit.
Mounting for line-terminal equipment—table, desk, or rack.
Multiplex terminal.
Oscillator unit.
Photoradio or facsimile terminal.

Radio transmitter frequency control installation.
 Relay test panel, with or without associated wiring.
 Remote control board, transmitter or receiver.
 Single bay of relay rack or other supporting structure for terminal or other equipment.
 Telegraph, telephone, or program control board.
 Telegraph test board.
 Telephone modulator (portable) or telephone modulator installation.
 Tone-generator installation.
 Volume-indicator unit.

(Monitoring equipment)

Monitor loudspeaker, portable.
 Monitor receiver, portable.
 Monitor recorder, portable.
 Multiple pen recorder.
 Telephone head set, hand set, or breast set.
 Telephone receiver or transmitter, operator's portable.

EQUIPMENT ON CUSTOMERS' PREMISES
 (ACCOUNT 41)

Call box.
 Morse set.
 Printer.
 Telephone.

FURNITURE AND OFFICE EQUIPMENT
 (ACCOUNT 51)

Each principal item of equipment, such as:
 Accounting, adding, addressing, billing, blueprinting, calculating, or listing machine.
 Bed, cot, couch, davenport, or lounge.
 Cabinet.
 Counter installation.
 Desk.
 Piano or phonograph.
 Refrigerator.
 Safe.
 Typewriter.
 Vacuum cleaner.
 Washing machine.
 Water cooler.

SHIP STATION EQUIPMENT (ACCOUNT 61) AND
 OTHER MOBILE STATION EQUIPMENT (ACCOUNT 69)

Each applicable item of equipment as listed under the preceding captions.

VEHICLES AND DRAFT ANIMALS (ACCOUNT 71)

Each principal item of equipment, such as:
 Air compressor, mobile.
 Aeroplane.
 Automobile.
 Boat or barge.
 Draft animal.
 Motorcycle.
 Motortruck body.
 Motortruck, with or without body.
 Mounted kitchen.
 Pole dolly or dinkey.
 Set of harness.
 Sled.
 Tractor or trailer.
 Wagon.

SHOP EQUIPMENT, TOOLS, AND IMPLEMENTS
 (ACCOUNT 72)

(Testing and adjustment equipment)

Ammeter.
 Bridge (capacity, resistance, inductance, or combination thereof).
 Circuit tester or analyzer.
 Crystal testing installation.
 Decade resistance box.
 Decimeter.
 Dummy antenna or dummy load.
 Field intensity measuring installation.
 Harmonic generator or distortion amplifier unit.
 Linemen's test set.
 Meter—capacity, conductance, field intensity (including antenna), portable flow, or light intensity.
 Magneto test set.

Oil testing set.
 Oscillator unit, portable.
 Oscillograph or oscilloscope.
 Portable telephone outfit.
 Pyrometer, portable.
 Relay test panel, with or without associated wiring.
 Stroboscope.
 Temperature controlled oven.
 Test amplifier unit, portable.
 Test meter, with or without associated external thermocouple or multiplier.
 Test table.
 Thermocouple.
 Vacuum-tube gas detector.
 Vacuum-tube temperature measuring meter.
 Vacuum-tube tester, portable.
 Vacuum-tube testing installation—complete.
 Voltmeter.
 Volume or power level indicator, portable.
 Wave meter, portable.

(Portable tools and implements)

Each principal item of equipment, such as:
 Air compressor, mobile.
 Back-filling machine.
 Blower, power.
 Concrete mixer.
 Compressed air tool.
 Crane or derrick, mobile.
 Earth-boring machine (not part of a truck or tractor).
 Farm implement.
 Forge.
 Paint spray outfit.
 Pole-treating installation.
 Power drill or hammer.
 Surveyor's transit.
 Tower erection cage.
 Trenching machine.
 Wire-measuring machine.

(Other equipment)

Each principal item of equipment, such as:
 Acetylene torch outfit.
 Boring mill.
 Chain hoist.
 Lathe.
 Milling machine.
 Oil filter press, with associated equipment.
 Power planer, drill press, grinder, or saw.
 Shop motor (2 or more h. p.).
 Welding outfit.
 Work bench or table.

STORE AND WAREHOUSE EQUIPMENT (ACCOUNT 73)

Each principal item of store and warehouse equipment, such as:
 Barrel.
 Cart.
 Counter, movable.
 Crane.
 Gasoline pump or tank.
 Hand cart or hand truck.
 Ladder.
 Oil pump.
 Oil tank.
 Tool rack or tool case.
 Truck.
 Wire-measuring machine.

[SEAL]

T. J. SLOWIE,
 Secretary.

[F. R. Doc. 49-10577; Filed, Dec. 28, 1949;
 10:36 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VII—Department of the Air Force

Subchapter F—Reserve Forces

PART 866—SEPARATION OF PERSONNEL FROM U. S. AIR FORCE RESERVE

Pursuant to the authority conferred by secs. 207 (f) and 208 (e) of the National

Security Act (61 Stat. 503, 504; 5 U. S. C. Sup. II, 626 (f), 626c (e), Transfer Order 10, April 27, 1948 (13 F. R. 2428) and cited laws, the following regulation is hereby prescribed:

Sec.
 866.1 Purpose.
 866.2 Separation of commissioned Reservists.
 866.3 Discharge of enlisted Reservists.

AUTHORITY: §§ 866.1 to 866.3 issued under secs. 37, 55, 39 Stat. 189, 195 as amended; 10 U. S. C. 358, 424, 425.

DERIVATION: AFR 45-40, October 26, 1949.

§ 866.1 *Purpose.* Sections 866.1 to 866.3 establish the criteria and procedures for the separation or discharge from the U. S. Air Force Reserve of commissioned and enlisted Reservists who are not serving on extended active duty.

§ 866.2 *Separation of commissioned Reservists—(a) General.* Appointments in the U. S. Air Force Reserve are terminated by the following:

- (1) Dismissal.
- (2) Expiration of term of appointment.
- (3) Resignation.
- (4) Vacation of appointment.
- (5) Discharge.
- (6) Death.

(b) *Dismissal.* The dismissal of a commissioned officer from the U. S. Air Force Reserve will apply only to Reserve officers on active duty and will be governed by the provisions of Article of War 118 (sec. 1, 41 Stat. 811; 10 U. S. C. 1590).

(c) *Term of appointment.* The appointment of a commissioned officer in the U. S. Air Force Reserve will be for a five-year period, unless sooner terminated as provided for herein. At the completion of each five-year period, the appointment may be renewed for another five years. However, if not renewed, the appointment will be automatically terminated. During the existence of a state of war or National emergency there will be automatic extensions of appointments.

(d) *Resignation.* A commissioned officer may tender his resignation from the U. S. Air Force Reserve. The officer concerned will submit a letter containing a formal tender of resignation of his appointments in the Air Force Reserve and Air Force of the United States plus a statement of the reasons for which he is tendering his resignation. The letter of resignation will be submitted to the numbered air force within the Continental Air Command in whose area he resides for separation action. Conditional resignations will be considered only for the purpose of termination of appointment in the Air Force Reserve and Air Force of the United States in order to accept appointment in a Reserve force of another service of the United States.

(e) *Vacation of appointment.* The acceptance by a Reserve officer of a commission in the Regular Air Force or the Air National Guard of the United States will automatically terminate his appointment in the U. S. Air Force Reserve.

(f) *Discharge of officer.* Any Reserve officer may be discharged from his appointment in the U. S. Air Force Reserve at any time at the discretion of the President of the United States. In all cases the discharge will be the form of separa-

tion not otherwise covered herein, including the following:

(1) *Entry into an incompatible occupation or office.* A commissioned member of the U. S. Air Force Reserve who enlists or accepts an appointment in the active or Reserve list of the United States Army, Navy, Marine Corps, Coast Guard, Public Health Service, Coast and Geodetic Survey, National Guard of the United States or Coast Guard Academy will be discharged from his appointment.

(2) *Misconduct, inefficiency, or other unfitness.* Any commissioned member of the U. S. Air Force Reserve may, upon the recommendation of a board of officers and subsequent approval of the command and so delegated, be discharged from his appointment in the Air Force Reserve by direction of the President. The appropriate Reserve unit or major air command will, upon receiving a report of the misconduct or other unfitness of a Reserve officer, cause such investigation to be made as it considers necessary. When the appropriate commander considers it necessary or when the Reserve officer concerned so requests in writing, the commander will convene a suitable board of not less than three officers, at least one of whom will be a Reserve officer, to investigate further and make recommendations. The findings of the investigation and board (if applicable) will be forwarded through channels to the Chief of Staff, United States Air Force, for final review and separation action.

(3) *Failure to reply to official communications and inability to locate after reasonable effort.* Upon the inability of any unit or command to locate a Reserve officer after a reasonable effort or upon the failure of a Reserve officer to reply to official communications, the commander concerned will submit a report containing copies of the communications which were returned unclaimed or which remained unanswered. These communications will consist of three letters which were sent by the unit concerned to the individual; the last of the three will be a registered letter (return receipt requested—personal signature only). The complete report, along with an explanation of the efforts that were used to communicate with a Reserve officer, will be forwarded to the appropriate numbered air force of the Continental Air Command for separation action.

(4) *Conviction by a civil court.* Any Reserve officer will be discharged from his appointment in the U. S. Air Force Reserve if he is convicted before a civil

court of a felony (as defined by Federal statutes) involving moral turpitude. All persons in the military service are enjoined to report to the nearest military authority the conviction by a civil court of any Reservist on inactive status which might be brought to their attention, should they have any reason to believe that such a report would not be made otherwise.

(5) *Entry into service of a foreign country.* Any Reserve officer who enters into the military service of a foreign country or departs from this country or any Territory or Possession thereof for such purposes will be discharged from his appointment in the U. S. Air Force Reserve. All persons in the military service are enjoined to report to the nearest military authority the entry into the service of a foreign country of any Reservist on inactive status which might be brought to their attention, should they have any reason to believe that such a report would not be made otherwise.

(6) *Conviction by a military court or reduction.* A Reserve officer who is serving as an enlisted person in the Regular Air Force may be discharged from his Reserve appointment for conviction by a military court, or reduction for misconduct or inefficiency. The appropriate organization will forward a full report on the matter with their recommendations to the Commanding General, Continental Air Command, for final review and separation action.

(7) *Miscellaneous.* Circumstances not covered in this section may arise where it is considered advisable to recommend separation or discharge from the U. S. Air Force Reserve. All such cases will be reported in full by the appropriate organization or command to the appropriate numbered air force within the Continental Air Command.

§ 866.3 *Discharge of enlisted reservists.* Except for enlisted personnel of the Regular Air Force transferred to the U. S. Air Force Reserve and placed on the retired list of the Regular Air Force and subsequently discharged upon completion of 30 years' service under the provisions of applicable regulations, enlisted members of the Air Force Reserve when on an inactive status may be discharged by direction of the President of the United States, order of the Secretary of the Air Force, or by direction of the commanding generals of the numbered air forces under the Continental Air Command, or such officer or officers who may be designated by them for that purpose:

(a) Upon expiration of term of enlistment or period of service.

(b) To permit immediate reenlistment for three years of Reservists who apply for and are qualified for reenlistment:

(1) At any time during the last 90 days of current enlistment or

(2) For the purpose of meeting length of service requirements for active duty tour, including extended active duty training, attendance at service schools, etc. Date of discharge will be the day immediately preceding the date of reenlistment. The discharge certificate will not be delivered to the individual until after reenlistment is effected.

(c) When physically disqualified for limited service under applicable regulations.

(d) Upon enlistment or acceptance of a commission, either Regular or Reserve, in the Armed Forces including National Guard of the United States, Public Health Service, Coast and Geodetic Survey, or upon appointment to the United States Military, Naval, or Coast Guard Academy, except that a five or six year Reservist will not be discharged for the purpose of enlisting in the Reserve components of any of the Armed Forces unless such enlistment is mutually agreed upon by the gaining agency and the air force commander, or such officer or officers who may be designated by him for this purpose.

(e) Upon request of reservist when in the opinion of the Air Force commander the discharge will be to the best interest of the Government in furtherance of the Reserve program. Not applicable to five- or six-year reservists.

(f) Upon presentation of conclusive evidence in accordance with current directives that membership in the U. S. Air Force Reserve in an inactive status has a material adverse effect on his earning a livelihood.

(g) Because of inaptitude or unsuitability for military service.

(h) Because of evidence of unfitness which renders retention in the service undesirable.

(i) Upon conviction by a civil court.

(j) Inability to locate after reasonable effort and failure to reply to official communications. Not applicable to five- or six-year reservists.

(k) For fraudulent enlistment.

[SEAL]

L. L. JUDGE,
Colonel, U. S. Air Force,
Air Adjutant General.

[F. R. Doc. 49-10488; Filed, Dec. 28, 1949;
8:50 a. m.]

PROPOSED RULE MAKING

CIVIL AERONAUTICS BOARD

[14 CFR, Parts 41, 42, 43, 60, 61]

FLASHING FORWARD AND REAR POSITION
LIGHTS FOR AIRCRAFT

NOTICE OF PROPOSED RULE MAKING

Pursuant to authority delegated by the Civil Aeronautics Board to the Bureau of Safety Regulation, notice is hereby

given that the Bureau will propose to the Board amendments of Parts 41, 42, 43, 60, and 61 of the Civil Air Regulations as hereinafter set forth.

Interested persons may participate in the making of the proposed rules by submitting such written data, views, or arguments as they may desire. Communications should be submitted to the Civil Aeronautics Board, attention Bureau of

Safety Regulations, Washington 25, D. C. All communications received by February 1, 1950, will be considered by the Board before taking further action on the proposed rules.

Under current operating requirements aircraft engaged in scheduled air transportation at night are required to have installed flashing position lights. Other aircraft are required to have steady posi-

tion lights. The color, position, intensity, etc., requirements for both flashing and steady lights are adequately provided for in the various airworthiness parts of the Civil Air Regulations. Such parts also prescribe certain requirements for the flashing system used in air carrier aircraft. However, current regulations do not require aircraft operated by persons other than scheduled air carriers to have a flashing position light system, nor do they establish airworthiness requirements for such system.

This proposal requires, in effect, the installation of a flasher device on all aircraft, and the installation of a two-circuit flashing position light system approved by the Administrator on all civil aircraft of 12,500 pounds or more maximum certificated take-off weight regardless of their operational utilization.

The single circuit system required for small aircraft consists of three lights: a red light on the left wing, a green light on the right wing, and a white light on the tail. The two-circuit system is a six-light system having, in addition to the three lights mentioned above, a white light on the top and bottom of the fuselage and a red light on the tail; these three lights flashing alternately with the wing lights and the white tail light.

The requirements for the flasher device for the two-circuit system have already been established by the Administrator in Technical Standard Order No. C18, effective May 1, 1949. It is contemplated that another Technical Standard Order will be issued for flasher devices to be used in single circuit systems, but that, in any event, any device which flashes at a rate of not less than 70 nor more than 120 flashes per minute with an on-off ratio of between 2:1 and 1:1 may be used even though not otherwise approved: *Provided*, That either the device be of a fail-safe type or a means be provided in the system of indicating to the pilot a failure of the flasher with a means of overriding the flashing system to permit the lights to be turned on steady.

It is our opinion that the use of flashing position lights on all aircraft operated at night is necessary to avoid collisions between aircraft on the ground as well as in the air. Flashing lights can be more quickly identified as aircraft lights, and they are not as likely to be confused with lights on the ground.

We have made inquiry of the various manufacturers of flashing devices and have learned that at least one mechanically simple and inexpensive type may be obtained for small aircraft costing approximately from \$3.00 to \$4.00. The cost of installation likewise has been estimated as being low. The cost of the required installation for large aircraft is somewhat higher. We seriously considered these factors in our study of this proposal, especially in view of the fact

that it would require numerous owners of small aircraft other than air carriers to install a flashing device. We have concluded that the cost of such equipment is negligible in the light of the increased safety to be achieved.

The inclusion of the flashing light requirement in Part 60 would require all military and foreign aircraft, in addition to United States civil aircraft, to display flashing lights. We have been advised by the military forces that they have been in the process of converting all military aircraft to a flashing light system and that all military aircraft will be so equipped in the near future. With regard to foreign aircraft, we are proposing to permit such aircraft to display other than flashing lights provided such lights meet the standards established in Annex 2 to the Convention on International Civil Aviation.

It is therefore proposed to amend Parts 41, 42, 43, 60, and 61, effective July 1, 1950, as follows:

1. By amending §§ 41.25 (j), 42.21 (b) (4), 43.30 (b) (2) and 61.210 (b), in substance, as follows:

(i) *Position lights for aircraft of 12,500 pounds or more maximum certificated take-off weight.* Aircraft of 12,500 pounds or more maximum certificated take-off weight shall be equipped with a dual circuit position light system incorporating an approved flashing device.

(ii) *Position lights for other aircraft.* All other aircraft shall be equipped with a position light system incorporating an approved flasher device: *Provided*, That for a single circuit system the flasher device need not be of an approved type if it operates at a rate of not less than 70 nor more than 120 flashes per minute with an on-off ratio 2:1 and 1:1: *And, provided further*, That for the single circuit system the flasher device shall be of a fail-safe type, or a means shall be provided in the system of indicating to the pilot a failure of the flashing device and a means of turning the lights on steady in the event of such failure.

2. By amending § 60.23 (a) to read as follows:

§ 60.23 *Aircraft lights.* Between sunset and sunrise:

(a) Aircraft in flight or operating on the ground or under way on the water shall display flashing position lights: *Provided*, That foreign aircraft need not display such lights if they display position lights in accordance with the standards established in Annex 2 to the Convention on International Civil Aviation.

These amendments are proposed under the authority of Title VI of the Civil Aeronautics Act of 1938, as amended.

(Secs. 205 (a), 52 Stat. 984, 49 U. S. C. 425 (a). Interpret or apply secs. 601-610, 52 Stat. 1007-1012; 62 Stat. 1218; 49 U. S. C. 551-560)

Dated: December 21, 1949, at Washington, D. C.

By the Bureau of Safety Regulation.

[SEAL] JOHN M. CHAMBERLAIN,
Director.

[F. R. Doc. 49-10493; Filed, Dec. 28, 1949; 8:48 a. m.]

FEDERAL SECURITY AGENCY

Food and Drug Administration

[21 CFR, Part 120]

[Docket No. FDC-57]

TOLERANCES FOR POISONOUS OR DELETERIOUS RESIDUES ON OR IN FRESH FRUITS AND VEGETABLES

CLARIFICATION OF NOTICE OF HEARING

On September 9, 1949, the Federal Security Administrator gave notice that he would hold a public hearing in accordance with the provisions of sections 406 and 701 of the Federal Food, Drug, and Cosmetic Act (52 Stat. 1049, 1055; 21 U. S. C. 346, 371) commencing at 10:00 o'clock on the morning of January 17, 1950, in room 5140, Federal Security Building, Third Street and Independence Avenue, SW., Washington, D. C., upon proposals to issue regulations limiting the quantity of poisonous or deleterious residues remaining on or in fresh fruits or fresh vegetables from substances used to control pests, such as insects and plant diseases, or to affect the metabolism of the plants, and to amend or to repeal the regulation limiting the quantity of fluorine remaining as insecticidal residue on apples and pears (21 CFR, 1944 Supp., 120.1). The notice was published in the FEDERAL REGISTER on September 17, 1949 (14 F. R. 5724).

The notice of hearing proposed, among other things, to take evidence with respect to the fruits and vegetables which require the addition or application of a poisonous or deleterious substance in their commercial production and what poisonous or deleterious substances are required on each such fruit and vegetable for its commercial production.

For the purposes of this hearing the term "commercial production" will be interpreted to mean production up to the time of harvest. It is not the purpose of the Agency to receive evidence at this hearing relating to poisonous or deleterious substances used after harvest, unless the same substances are used before harvest or unless these substances affect the safety of or the tolerance of consumers for other substances used before harvest.

Dated: December 21, 1949.

[SEAL] JOHN L. THURSTON,
Acting Administrator.

[F. R. Doc. 49-10474; Filed, Dec. 28, 1949; 8:45 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

AIR-NAVIGATION SITE WITHDRAWAL NO. 178,
ENLARGED

DECEMBER 22, 1949.

By virtue of the authority contained in section 4 of the act of May 24, 1928, 45 Stat. 729 (49 U. S. C. sec. 214), and in accordance with Departmental Order No. 2468 (80) (iii) of August 30, 1948, it is ordered as follows:

Subject to valid existing rights, the following described public land in Alaska is hereby withdrawn from all forms of appropriation under the public land laws and reserved for the use of the Civil Aeronautics Administration, Department of Commerce, in the maintenance of air navigation facilities, as an addition to Air Navigation Site Withdrawal No. 178, established May 4, 1942:

COPPER RIVER MERIDIAN

T. 21 S., R. 18 E.,
Sec. 19, S $\frac{1}{2}$ SW $\frac{1}{4}$, unsurveyed;
Sec. 30, lot 1 and NE $\frac{1}{4}$ NW $\frac{1}{4}$.

The area described contains approximately 144 acres.

It is intended that the public land described herein shall be returned to the administration of the Department of the Interior when it is no longer needed for the purpose for which it is reserved.

MARION CLAWSON,
Director.

[F. R. Doc. 49-10475; Filed, Dec. 28, 1949;
8:46 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 3232]

CORDOVA AIR SERVICE, INC.

NOTICE OF HEARING

In the matter of the compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, of Cordova Air Service, Inc., over its routes certificated for the transportation of mail, and the Board's show cause Order Serial No. E-3726.

Notice is hereby given, pursuant to the provision of the Civil Aeronautics Act of 1938, as amended, that public hearing in the above-entitled proceeding is assigned to be held on January 4, 1950, at 10:00 a. m., e. s. t., in Room 1851, Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Richard A. Walsh.

Dated at Washington, D. C., December 23, 1949.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 49-10524; Filed, Dec. 28, 1949;
8:49 a. m.]

[Docket No. 8762]

UNITED AIR LINES, INC.; PROPOSED REDUCTION IN JOINT FARES BETWEEN POINTS IN HAWAII AND POINTS IN THE UNITED STATES

NOTICE OF ORAL ARGUMENT

In the matter of the investigation of certain fares, rules, and routings for the air transportation of passengers proposed by United Air Lines, Inc., pursuant to certain pages appearing in United Air Lines Inc.'s Hawaiian Local and Joint Passenger Tariff No. 1-B, C. A. B. No. 10.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, particularly sections 205 (a), 403, 404, and 1002 of said act, that oral argument in the above-entitled proceeding is assigned to be held on January 16, 1950, at 10:00 a. m., e. s. t., in Room 5042, Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated at Washington, D. C., December 22, 1949.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 49-10522; Filed, Dec. 28, 1949;
8:48 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 9461]

SPECIAL CONFERENCE OF INTERNATIONAL TELECOMMUNICATION UNION

LIST OF ASSIGNMENTS

DECEMBER 21, 1949.

In the matter of list of assignments in the band 1605-2000 kc. to be registered in connection with the Special Conference of the International Telecommunication Union; Docket No. 9461.

On September 21, 1949, the Commission released a public notice in Docket No. 9461 (Mimeo 40450)¹ which was intended to advise interested parties concerning progress being made and of the further steps contemplated in order to bring into force the new international table of frequency allocations for the spectrum 1605-2000 kc. based upon the provisions of the Final Acts of the Atlantic City Telecommunication and Radio Conferences (1947), of the FLAR Conference (Washington, 1949), and of Region 2 (ITU) (Washington, 1949)². Attached to that public notice was a Mimeo No. 40209 "United States of America ITU Region 2 Frequency List 1605-2000 kc."

The Commission requested all interested parties to comment upon that list

¹ Copies of this notice are no longer available for distribution but may be inspected at the Commission's offices.

² Copies of the final acts of these conferences may be obtained as indicated in footnotes contained in Mimeo 40450.

not later than November 1, 1949. Accordingly, the Central Committee on Radio Facilities of the American Petroleum Institute, the Western Geophysical Company, the National Broadcasting Company, Aeronautical Radio, Inc., and the Seismograph Service Corporation submitted comments, none of which indicated disagreement with the frequency list proposed.

The Central Committee on Radio Facilities of the American Petroleum Institute and the Western Geophysical Company favored the listing on 1614 kc. of the stations now assigned 1602 kc.

The National Broadcasting Company concurred with the listing of the frequency 1606 kc. for land stations in the United States employing A3 emission.

The Seismograph Service Corporation, in its comments, did not offer specific objection to the frequency list as proposed, presumably recognizing that the problem of providing for a radiolocation service in the 1750-1800 kc. band is not now one of international concern.

Aeronautical Radio, Inc., requested that the present priority registration be retained for the frequency 1638 kc. for use as an air navigational aid frequency. The list released by the Commission (Mimeo 40209) included listings for all such stations currently in operation in areas within the jurisdiction of the United States. Further, the ITU Region 2 Conference (Washington, 1949), in Resolution No. 1 Relating to the Preparation of Frequency Lists by the Administrations of Region 2 resolved that:

When administrations desire to change their operations in the band 1605-1750 kc. so that harmful interference is possible, they shall coordinate these changes with the administrations whose stations would be subject to interference. No other coordination is necessary, except to insure that a group of five common frequencies are provided for the aeronautical radionavigation service within Region 2, including 1638 and 1708 kc.

In view of these actions, it is considered that adequate protection is being afforded aeronautical radionavigation stations operating in the 1605-1750 kc. band.

No other comments have been received by the Commission with respect to the above-mentioned public notice.

Certain minor editorial changes to the last have been made as indicated below.

The Commission is transmitting the above-mentioned list to the Department of State with the recommendation that it be appropriately considered and coordinated with other American countries.

Released: December 21, 1949.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

The following is a tabulation of the changes the Commission has made in the ITU Region 2 Frequency List between 1605-2000 kc.:

Frequency (kc.)	Group listing	Additions and changes
1606	Land stations (U. S. A.)	Change column 4c to read 1,000 kilometers; add to column 5 FL OT; add to column 13, 342 stations.
1614	do	Add to column 5 FL OT; add to column 13, 55 stations.
1622	Land stations (Alaska)	Add to column 4c 1,000 kilometers; add to column 5 FL OT; change column 8 to read 2.0 kilowatts; add to column 13, 3 stations.
1622	Land stations (Puerto Rico)	Change column 4c to read 200 kilometers; add to column 5 FL OT; add to column 6, 10, A3; change column 8 to read 2.0 kilowatts; add to column 13, 4 stations.
1622	Land stations (U. S. A.)	Change column 4c to read 1,000 kilometers; add to column 5 FL OT; add to column 13, 342 stations.
1628	do	Add to column 5 FL OT; add to column 13, 100 stations.
1646	Land stations (Alaska)	Change column 4c to read 1,000 kilometers; add to column 5 FL OT; change column 8 to read 2.0 kilowatts; add to column 13, 3 stations.
1646	Land stations (Puerto Rico)	Change column 4c to read 200 kilometers; add to column 5 FL OT; change column 8 to read 2.0 kilowatts; add to column 13, 4 stations.
1646	Land stations (U. S. A.)	Change column 4c to read 1,000 kilometers; add to column 5 FL OT; add to column 13, 342 stations.
1652	do	Add to column 5 FL OT; add to column 13, 124 stations.
1676	do	Add to column 5 FL OT; add to column 13, 104 stations.
1700	do	Add to column 5 FL OT; add to column 13, 101 stations.
1705	Land mobile stations (Hawaii)	Change column 5 to read FL OT.

[F. R. Doc. 49-10489; Filed, Dec. 28, 1949; 8:47 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6255]

EMPIRE DISTRICT ELECTRIC CO.

ORDER SUSPENDING RATE SCHEDULE

DECEMBER 20, 1949.

On October 31, 1949, Empire District Electric Company submitted to the Commission for filing a proposed agreement with the City of Springfield, Missouri, dated December 20, 1948, tentatively designated Empire District Electric Company Rate Schedule FPC No. 49, which supersedes an agreement dated May 31, 1946, designated Empire District Electric Company Rate Schedule FPC No. 27. The proposed agreement provides for the sale and delivery of electric energy by Empire District Electric Company to the City of Springfield, Missouri. Based upon data submitted for the year 1948, the proposed agreement would result in an increase of more than \$60,000 (18.7%) in the annual charges for service by Empire District Electric Company to the City of Springfield, Missouri.

By letter dated November 17, 1949, the City of Springfield, Missouri, advised the Commission of its objections to certain changes provided in Rate Schedule FPC No. 49.

Unless suspended by order of the Commission, Empire District Electric Company Rate Schedule FPC No. 49 will become effective as of January 1, 1950, pursuant to the provisions of the Federal Power Act and Part 35 of the codification and reissuance of the Commission's rules, effective January 1, 1948.

The change in rates and charges proposed by Empire District Electric Company in Rate Schedule FPC No. 49 may result in excessive rates or charges to the City of Springfield, Missouri, may place an undue burden upon ultimate consumers of electric energy; may be discriminatory; and may result in increased rates or charges which have not been shown to be justified.

The Commission finds: It is necessary, desirable and in the public interest that the Commission enter upon a hearing concerning the lawfulness of the proposed increased rates or charges and that said proposed rates or charges be suspended pending such hearing and the decision thereon.

The Commission orders:

(A) A public hearing be held commencing February 27, 1950, at 10 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the lawfulness of the rates or charges proposed in Empire District Electric Company Rate Schedule FPC No. 49 for the sale and delivery of electric energy to the City of Springfield, Missouri.

(B) Pending such hearing and decision thereon, the operation of the proposed schedule of increased rates or charges for the sale of electric energy for resale provided in said Empire District Electric Company Rate Schedule FPC No. 49 be and the same is hereby suspended and the use of such rates or charges deferred until June 1, 1950, and thereafter such proposed rate schedule shall go into effect in the manner prescribed by the Commission in accordance with the Federal Power Act.

(C) During the period of suspension, the rates or charges heretofore in effect in Empire District Electric Rate Schedule FPC No. 27, shall remain and continue in effect.

(D) At the hearing ordered herein, the burden of proof to show that the proposed increased rates or charges are just and reasonable and not unduly discriminatory or preferential shall be upon the company.

(E) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) of the codification and reissuance of the Commission's rules, effective January 1, 1948.

Date of issuance: December 22, 1949.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-10498; Filed, Dec. 28, 1949; 8:49 a. m.]

[Docket No. G-1183]

NORTHERN NATURAL GAS CO.

ORDER FIXING DATE OF HEARING

DECEMBER 20, 1949.

On March 23, 1949, Northern Natural Gas Company (Applicant), a Delaware

corporation, having its principal office at Omaha, Nebraska, filed an application, as amended October 19, 1949, and supplemented on December 5 and 19, 1949, with the Commission for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain natural-gas pipeline facilities, subject to the jurisdiction of the Commission, as fully described in such application, as amended and supplemented, on file with the Commission and open to public inspection.

Applicant has requested that this application, as amended and supplemented, be heard under the shortened procedure provided by § 1.32 (b) of the Commission's rules of practice and procedure. On November 7, 1949, a petition to intervene was filed by the Railway Labor Executives Association and a joint petition to intervene was filed by the National Coal Association and United Mine Workers of America. The Commission on December 1, 1949, denied these petitions to intervene. No other request to be heard or protest has been filed subsequent to the giving of due notice of the application, as amended, including publication in the FEDERAL REGISTER on April 12, 1949 (14 F. R. 1744), and November 3, 1949 (14 F. R. 6680).

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a hearing be held on January 9, 1950, at 9:30 a. m. (e. s. t.), in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by such application, as amended: *Provided, however*, That the Commission may, after a non-contested hearing, forthwith dispose of the proceedings pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the said rules of practice and procedure.

Date of issuance: December 22, 1949.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-10497; Filed, Dec. 28, 1949; 8:49 a. m.]

[Docket No. G-1300]

TEXAS GAS TRANSMISSION CORP.

ORDER FIXING DATE OF HEARING

DECEMBER 20, 1949.

On November 25, 1949, Texas Gas Transmission Corporation (Applicant), a Delaware corporation having its principal place of business in Owensboro, Kentucky, filed an application for a cer-

tificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing it to operate certain natural-gas facilities in the State of Kentucky, subject to the jurisdiction of the Commission.

The facilities are more particularly described in the application on file with the Commission and open to public inspection, and in the notice of filing of application hereinafter adverted to.

Temporary authorization to operate the requested facilities was granted by the Commission on December 2, 1949.

Applicant has requested that its application be heard under the shortened procedure provided for by § 1.32 (b) of the Commission's rules of practice and procedure; and no request to be heard or protest has been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on December 6, 1949 (14 F. R. 7297).

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

The Commission orders:

(A) Pursuant to authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure, a public hearing be held on December 29, 1949, at 9:30 a. m., e. s. t. in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by such application: *Provided, however*, That the Commission may, after a non-contested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of said rules of practice and procedure.

Date of issuance: December 22, 1949.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-10496; Filed, Dec. 28, 1949;
8:48 a. m.]

[Docket No. G-1301]

TENNESSEE GAS TRANSMISSION CO.

ORDER FIXING DATE OF HEARING

DECEMBER 20, 1949.

On December 2, 1949, Tennessee Gas Transmission Company, a Delaware corporation, having its principal place of business at Houston, Texas, filed an application, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of certain natural-gas pipeline facilities, subject to the jurisdiction of the Commission, as more fully described in such application on file with the Commission and open to public in-

spection, public notice thereof having been given, including publication in the FEDERAL REGISTER on December 15, 1949 (14 F. R. 7504).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure a public hearing be held commencing on January 12, 1950, at 10:00 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by the application.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure.

Date of issuance: December 22, 1949.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-10506; Filed, Dec. 28, 1949;
8:52 a. m.]

COMMITTEE FOR RECIPROCITY INFORMATION

TRADE-AGREEMENT RENEGOTIATIONS WITH CUBA

SUBMISSION OF INFORMATION TO THE COMMITTEE FOR RECIPROCITY INFORMATION

Closing date for application to be heard, January 23, 1950.

Closing date for submission of briefs, January 23, 1950.

Public hearings open, February 1, 1950.

The Chairman of the Interdepartmental Committee on Trade Agreements has announced that renegotiations of certain items in Schedule IX (Cuba) of the General Agreement on Tariffs and Trade will be carried on with Cuba early in February 1950. Attached is a list of the items in part II of Schedule IX which the Cuban Government has requested be renegotiated.

The negotiations will also include consideration of new concessions, whether or not in respect of items now in the Cuban Schedule, which Cuba might grant to the United States in return for any modifications of the duties applicable to any of the products described in the aforementioned list that might be agreed to by this Government.

Consideration may be given, in addition, in these negotiations to the possible withdrawal of some concessions which the United States initially negotiated with Cuba in 1947 in Schedule XX of the General Agreement.

The Committee for Reciprocity Information hereby gives notice that information and views in writing in regard to the foregoing negotiations shall be submitted to the Committee for Reciprocity Information not later than 12:00 noon, January 23, 1950, and all applications for oral presentation of views in regard thereto, including a statement as to the product or products on which

the applicant wishes to be heard, shall be submitted to the Committee for Reciprocity Information not later than 12:00 noon, January 23, 1950.

Such communications shall be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Washington 25, D. C." Ten copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to.

Public hearings will be held before the Committee for Reciprocity Information, at which oral statements will be heard. The first hearing will be at 10:00 a. m. on February 1, 1950, in the hearing room of the Tariff Commission, Tariff Commission Building, Eighth and E Streets NW., Washington 25 D. C. Witnesses who make application to be heard will be advised regarding the time and place of their individual appearances. Appearances at hearings before the Committee may be made by or on behalf of those persons who have within the time prescribed made written application for oral presentation of views. Statements made at the public hearings shall be under oath.

Persons interested in the negotiations may present to the Committee their views concerning the modification of Schedule IX with respect to any product in the list attached, and concerning new concessions, whether or not in respect of items now in Schedule IX (Cuba), which might be requested, or withdrawals from Schedule XX (United States) which might be made, as compensation for such modification. Copies of the attached list may be obtained from the Committee for Reciprocity Information at the address designated above and may be inspected at the field offices of the Department of Commerce.

By direction of the Committee for Reciprocity Information this 23d day of December 1949.

EDWARD YARDLEY,
Secretary, Committee for
Reciprocity Information.

CUBAN TEXTILE AND OTHER TARIFF ITEMS WHICH THE CUBAN GOVERNMENT HAS REQUESTED BE RENEGOTIATED

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
114	Plain and smooth fabrics napped or not, unbleached or white, weighing 10 kilograms or more per 100 square meters:	Per kg.
114-A	Up to 9 threads.....	0.136
114-B	From 10 to 15 threads.....	.178
114-C	From 16 to 19 threads.....	.238
114-D	From 20 to 23 threads.....	.330
114-E	From 24 to 27 threads.....	.386
114-F	From 28 to 31 threads.....	.396
114-G	32 threads or more.....	.510

NOTES: Canvas shall be dutiable under the corresponding letters of this item in accordance with its threads, with a reduction of 25% from the duty indicated. Fabrics of this item, dyed a single color, shall be subject to the duty on the fabric with a surtax of 30%.

Fabrics of this item, printed or dyed with stripes, squares, or other designs, shall be subject to the duty on the fabric, with a reduction of 6% in letters A, B, C, D and E and with a surtax of 15% in letters F and G.

All Sub-items of this item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

CUBAN TEXTILE AND OTHER TARIFF ITEMS
WHICH THE CUBAN GOVERNMENT HAS REQUESTED BE RENEGOTIATED—Continued

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
115	Plain and smooth fabrics, napped or not, unbleached or white, weighing less than 10 Kilograms per 100 square meters:	Per kg.
115-A	Up to 6 threads.....	0.153
115-B	From 7 to 11 threads.....	.204
115-C	From 12 to 15 threads.....	.297
115-D	From 16 to 19 threads.....	.345
115-E	From 20 to 23 threads.....	.360
115-F	From 24 to 27 threads.....	.444
115-G	From 28 to 31 threads.....	.540
115-H	32 threads or more.....	.636

NOTES: Canvas shall be dutiable under the corresponding letters of this Item in accordance with its threads, with a reduction of 25% from the duty indicated.

Fabrics of this Item, dyed a single color, shall be subject to the duty on the fabric with a surtax of 40%.

Fabrics of this Item, printed or dyed with stripes, squares, or other designs, shall be subject to the duty on the fabric, with a reduction of 2% in letters A, B, C and D, and with a surtax of 20% in letters E, F, G and H.

All Sub-items of this Item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
116	Fabrics, twilled or figured on the loom, napped or not, unbleached or white, weighing 10 or more kilograms per 100 square meters:	Per kg.
116-A	Up to 6 threads.....	0.153
116-B	From 7 to 11 threads.....	.187
116-C	From 12 to 15 threads.....	.212
116-D	From 16 to 19 threads.....	.325
116-E	From 20 to 23 threads.....	.388
116-F	From 24 to 27 threads.....	.429
116-G	From 28 to 31 threads.....	.546
116-H	32 threads or more.....	.624

NOTES: Canvas shall be dutiable under the corresponding letters of this Item in accordance with its threads, with a reduction of 25% from the duty indicated.

Fabrics of this Item, dyed a single color, shall be subject to the duty on the fabric with a surtax of 30%.

Fabrics of this Item, printed or dyed with stripes, squares, or other designs, shall be subject to the duty on the fabric, with a reduction of 6% in letters A, B, C, and D, and with a surtax of 15% in letters E, F, G, and H.

All Sub-items of this Item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
117	Fabrics, twilled or figured on the loom, napped or not, unbleached or white, weighing less than 10 kilograms per 100 square meters:	Per kg.
117-A	Up to 6 threads.....	0.195
117-B	From 7 to 11 threads.....	.246
117-C	From 12 to 15 threads.....	.340
117-D	From 16 to 19 threads.....	.450
117-E	From 20 to 23 threads.....	.476
117-F	From 24 to 27 threads.....	.588
117-G	From 28 to 31 threads.....	.735
117-H	32 threads or more.....	.840

NOTES: Canvas shall be dutiable under the corresponding letters of this Item in accordance with its threads, with a reduction of 25% from the duty indicated.

Fabrics of this Item, dyed a single color, shall be subject to the duty on the fabric with a surtax of 40%.

Fabrics of this Item, printed or dyed with stripes, squares, or other designs, shall be subject to the duty on the fabric, with a reduction of 1% in letters A, B, C, and D and with a surtax of 20% in letters E, F, G and H.

All Sub-items of this Item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

CUBAN TEXTILE AND OTHER TARIFF ITEMS
WHICH THE CUBAN GOVERNMENT HAS REQUESTED BE RENEGOTIATED—Continued

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
119	Piqués and imitations thereof; and fabrics called crepes and similar ones:	Per kg.
119-A	Piqué, unbleached or white.....	0.27
119-B	Piqué, dyed a single color, or with stripes, squares or other designs.....	.33
119-C	Crepe.....	.144
120	Napped fabrics in blankets:	
120-B	White, dyed a single color, or printed on white or unbleached material, including napped cotton fabrics which contain not more than 5% of other fibers.....	.20
121	Velvety fabrics, corduroy, plush and velveteen:	
121-A	Corduroy, velveteen, and similar fabrics, of any color.....	.21
121-B	Curled fabrics and plush, cut or uncut, except carpets, unbleached or white.....	.45
121-C	The same, dyed a single color or figured.....	.52
122	Knit fabrics:	
122-A	In the piece.....	.27
122-E	Stockings, socks, gloves and other small articles of double sewing or fine work.....	1.50
127	Trimmings and ribbons:	
127-A	Ribbons, braids and galloons not for ornamental purposes, but for finishing clothing and other made-up articles, or for manufacturing reins, bridles, cinches and footwear, including "alpargatas" (twine-soled sandals).....	.24
132-J	Fabrics of rayon, nylon or other similar synthetic yarn, plain, smooth, twilled or damasked, unbleached, weighing 35 or more kilograms per 100 square meters:	
132-K	Up to 5 threads.....	.06
132-L	From 6 to 8 threads.....	.09
132-M	From 9 to 12 threads.....	.1275
132-N	From 13 to 16 threads.....	.195
132-O	From 17 to 20 threads.....	.225
132-P	From 21 to 24 threads.....	.30
132-Q	From 25 to 28 threads.....	.36
132-R	From 29 to 32 threads.....	.42
132-R	33 threads or more.....	.48

NOTES: Fabrics of this Item, white or partly bleached, shall be subject to the duties on the fabric plus a surtax of 15%.

Fabrics of this Item, dyed a single color, shall be subject to the duties on the fabric plus a surtax of 25%.

Fabrics of this Item, printed or dyed with stripes, squares, or other designs, shall be subject to the duty on the fabric with a reduction of 4% in letters J, K, L, M, N and O, and with a surtax of 20% in letters P, Q and R.

All Sub-items of this Item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
138	Fabrics of rayon, nylon or other similar synthetic yarn, plain, smooth, twilled or damasked, unbleached, weighing from and including 20 kilograms to but not including 35 kilograms per 100 square meters:	Per kg.
138-J	Up to 5 threads.....	0.09
138-K	From 6 to 8 threads.....	.1125
138-L	From 9 to 12 threads.....	.15
138-M	From 13 to 16 threads.....	.225
138-N	From 17 to 20 threads.....	.30
138-O	From 21 to 24 threads.....	.45
138-P	From 25 to 28 threads.....	.42
138-Q	From 29 to 32 threads.....	.48
138-R	33 threads or more.....	.60

NOTES: Fabrics of this Item, white or partly bleached, shall be subject to the duties on the fabric plus a surtax of 25%.

Fabrics of this Item, dyed a single color, shall be subject to the duties on the fabric plus a surtax of 40%.

Fabrics of this Item, printed or dyed with stripes, squares or other designs, shall be subject to the duties on the fabric, with a reduction of 4% in letters J, K, L, M, N and O and with a surtax of 20% in letters P, Q and R.

All Sub-items of this Item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

CUBAN TEXTILE AND OTHER TARIFF ITEMS
WHICH THE CUBAN GOVERNMENT HAS REQUESTED BE RENEGOTIATED—Continued

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
134	Fabrics of rayon, nylon or other similar synthetic yarn, plain, smooth, twilled or damasked, unbleached, weighing from and including 10 kilograms to but not including 20 kilograms per 100 square meters:	Per kg.
134-J	Up to 8 threads.....	0.10
134-K	From 9 to 12 threads.....	.135
134-L	From 13 to 16 threads.....	.19
134-M	From 17 to 20 threads.....	.30
134-N	From 21 to 24 threads.....	.40
134-O	From 25 to 28 threads.....	.50
134-P	From 29 to 32 threads.....	.48
134-Q	From 33 to 36 threads.....	.56
134-R	37 threads or more.....	.64

NOTES: Fabrics of this Item, white or partly bleached, shall be subject to the duties on the fabric plus a surtax of 25%.

Fabrics of this Item, dyed a single color, shall be subject to the duties on the fabric, plus a surtax of 40%.

Fabrics of this Item, printed or dyed with stripes, squares or other designs, shall be subject to the duties on the fabric, with a reduction of 4% in letters J, K, L, M, N and O and with a surtax of 20% in letters P, Q and R.

All Sub-items of this Item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

Cuban tariff item No.	Description and products	Rate of duty applicable to United States
135-J	Fabrics of rayon, nylon or other similar synthetic yarn, plain, smooth, twilled or damasked, unbleached, weighing less than 10 kilograms per 100 square meters:	Per kg.
135-K	Up to 8 threads.....	0.12
135-L	From 9 to 12 threads.....	.155
135-M	From 13 to 16 threads.....	.20
135-N	From 17 to 20 threads.....	.32
135-O	From 21 to 24 threads.....	.46
135-P	From 25 to 28 threads.....	.55
135-Q	From 29 to 32 threads.....	.52
135-R	From 33 to 36 threads.....	.60
135-R	37 threads or more.....	.68

NOTES: Fabrics of this Item, white or partly bleached, shall be subject to the duties on the fabric with a surtax of 30%.

Fabrics of this Item, dyed a single color, shall be subject to the duties on the fabric plus a surtax of 50%.

Fabrics of this Item, printed or dyed with stripes, squares or other designs, shall be subject to the same duties as on unbleached fabrics in letters J, K, L, M, N, and O, and with a surtax of 25% in letters P, Q, and R.

All Sub-items of this Item have a customs surtax in addition to the assessed duties, in each case, amounting to 30% (Law of August 9, 1932).

Cuban tariff item No.	Description and products	Rate of duty applicable to United States
137-D	Knit fabrics of rayon, nylon and other similar synthetic yarns:	Per kg.
137-E	In the piece.....	0.60
137-F	Worsteds, jackets, drawers and undershirts.....	1.05
137-F	Stockings, socks, gloves and other small articles.....	3.30
138-D	Tuilles of rayon, nylon or other similar synthetic yarns:	
138-E	Plain.....	.78
138-E	Figured.....	.90

CUBAN TEXTILE AND OTHER TARIFF ITEMS WHICH THE CUBAN GOVERNMENT HAS REQUESTED BE RENEGOTIATED—Continued

Cuban tariff item No.	Description of products	Rate of duty applicable to United States
141	Fabrics known as upholstery; and those of the same class in curtains, table-covers and similar articles, with or without fringe:	
141-C	Of rayon, nylon or other similar synthetic fibers, white or unbleached	0.36
141-D	Of rayon, nylon or other similar synthetic fibers; printed or dyed a single color, with stripes, squares or other designs	.60
142	Trimnings, galloons, ribbons and other articles made of rayon, nylon and other similar synthetic or artificial yarns:	
142-E	Ribbons, braids and galloons, not for ornamental purposes, for finishing clothing and other made-up articles and for manufacturing reins, bridles, cinches and footwear, including "alpargatas" (twine-soled sandals)	.84
142-F	Trimnings for ornamental purposes, such as tassels, fringes and figured or open-work braids, or with spangles or beading, and fancy ribbons and galloons	1.19
314	Tires of rubber or synthetic rubber, or of these materials combined with fabrics, for all kinds of vehicles, and inner tubes:	
314-B	Hollow tires	.25
314-C	Inner tubes	.265

[F. R. Doc. 49-10521; Filed, Dec. 28, 1949; 8:57 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 24747]

VEGETABLES FROM FLORIDA

APPLICATION FOR RELIEF

DECEMBER 23, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for and on behalf of carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 991.

Commodities involved: Vegetables, other than celery, carloads.

From: Clydes, Gardena, Lake Charm, Oviedo, Wagner and Youngs, Fla.

To: Southern, northern and western points.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

No. 250—9

ration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-10517; Filed, Dec. 28, 1949; 8:47 a. m.]

[4th Sec. Application 24748]

FABRICATED BRIDGE MATERIAL FROM BIRMINGHAM, ALA., AND MEMPHIS, TENN.

APPLICATION FOR RELIEF

DECEMBER 23, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3647.

Commodities involved: Fabricated bridge material, iron or steel, carloads. From: Birmingham, Ala., and points grouped therewith and Memphis, Tenn. To: Lake Charles, West Lake Charles and West Lake, La.

Grounds for relief: Potential competition with water carriers.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3647, Supplement 231.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-10518; Filed, Dec. 28, 1949; 8:47 a. m.]

[4th Sec. Application 24749]

PHOSPHATE ROCK BETWEEN TENNESSEE AND KANSAS-MISSOURI TERRITORY

APPLICATION FOR RELIEF

DECEMBER 23, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for and on behalf of carriers parties to the tariffs listed below.

Commodities involved: Phosphate rock and phosphate limestone, carloads.

Between: Points in Tennessee, on the one hand, and points in Kansas-Missouri territory, on the other.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3571, Supplement 176; L. E. Kipp's tariff I. C. C. No. A-3020, Supplement 213.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-10519; Filed, Dec. 28, 1949; 8:48 a. m.]

[4th Sec. Application 24750]

PETROLEUM PRODUCTS FROM SOUTHWEST AND KANSAS TO PIKEVIEW, COLO.

APPLICATION FOR RELIEF

DECEMBER 23, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3494.

Commodities involved: Petroleum products, carloads.

From: Points in the Southwest and Kansas.

To: Pikeview, Colo.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3494, Supplement 176.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because

of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-10516; Filed, Dec. 28, 1949;
8:47 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 7-1129]

OHIO EDISON CO.

FINDINGS AND ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 22d day of December A. D. 1949.

The Boston Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the Common Stock, \$8 Par Value, of Ohio Edison Company.

After appropriate notice and opportunity for hearing and in the absence of any request by any interested person for hearing on this matter, the Commission, on the basis of the facts submitted in the application, makes the following findings:

(1) That this security is registered and listed on the New York Stock Exchange and the Cleveland Stock Exchange; that the geographical area deemed to constitute the vicinity of the Boston Stock Exchange is the New England States exclusive of Fairfield County, Connecticut; that out of the total of 2,283,990 shares outstanding, 30,741 shares are owned by 257 shareholders in the vicinity of the Boston Stock Exchange; and that in the vicinity of the Boston Stock Exchange 74 transactions were effected in 1,955 shares of this security during the period from October 1, 1949 to October 31, 1949 inclusive;

(2) That sufficient public distribution of, and sufficient public trading activity in, this security exist within the vicinity of the applicant exchange to render the extension of unlisted trading privileges thereto appropriate in the public interest and for the protection of investors; and

(3) That the extension of unlisted trading privileges on the applicant exchange to this security is otherwise appropriate in the public interest and for the protection of investors.

Accordingly it is ordered, Pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934, that the application of the Boston Stock Exchange for permission to extend unlisted trading privileges to the Common Stock, \$8 Par Value, of Ohio Edison Company be, and the same is, hereby granted.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-10480; Filed, Dec. 28, 1949;
8:47 a. m.]

[File No. 59-15]

NORTHERN NEW ENGLAND CO. AND NEW
ENGLAND PUBLIC SERVICE CO.

ORDER POSTPONING ORAL ARGUMENT

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 22d day of December A. D. 1949.

The Commission on December 8, 1949, having ordered that re-argument before the Commission be heard in this proceeding on January 5, 1950; and David J. Greene, et al., as a protective committee for holders of common stock of New England Public Service Company, a registered holding company and for shareholders of its parent, Northern New England Company, also a registered holding company, having requested that the date for such re-argument be postponed; and the Commission deeming it appropriate under the circumstances that the same be postponed:

It is ordered, That re-argument in this proceeding set for January 5, 1950, be and it hereby is postponed until January 26, 1950, at 10:00 a. m., e. s. t., in Room 102 at the offices of the Commission, 425 Second Street NW., Washington 25, D. C.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-10479; Filed, Dec. 28, 1949;
8:47 a. m.]

[File No. 70-2262]

COLUMBIA GAS SYSTEM, INC., ET AL.

ORDER GRANTING APPLICATION AND PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 21st day of December 1949.

In the matter of The Columbia Gas System, Inc., Cumberland and Allegheny Gas Company, The Manufacturers Light and Heat Company, The Ohio Fuel Gas Company, The Preston Oil Company, Union Gasoline & Oil Corporation, United Fuel Gas Company, and Virginian Gasoline & Oil Company, File No. 70-2262.

The Columbia Gas System, Inc. ("Columbia"), a registered holding company, and its subsidiaries, Cumberland and Allegheny Gas Company ("Cumberland"), The Manufacturers Light and Heat Company ("Manufacturers"), The Ohio Fuel Gas Company ("Ohio Fuel"), The Preston Oil Company ("Preston"), Union Gasoline & Oil Corporation ("Union"), United Fuel Gas Company ("United Fuel"), and Virginian Gasoline & Oil Company ("Virginian"), having filed a joint application-declaration, and amendment thereto, pursuant to the provisions of sections 6 (a), 7, 9 (a), 10 and 12 of the Public Utility Holding Company Act of 1935 and Rules U-43, U-45 and U-46 promulgated thereunder with respect to the following proposed transactions:

Columbia owns all of the securities of its subsidiaries which are parties to this joint application-declaration except for

small minority interests in the common stocks of Manufacturers and United Fuel. Cumberland, Manufacturers, Ohio Fuel and United Fuel are engaged in the gas utility business (hereinafter referred to collectively as the "utility companies"). Preston, Union and Virginian are engaged in the gasoline and oil business (hereinafter referred to collectively as the "oil and gasoline companies").

In order to simplify the corporate structure of Columbia, it is proposed that the "utility companies" take over from the "oil and gasoline companies" the gasoline operations of the latter companies which, it is stated, are essential to the natural gas business of the former companies, and that the oil operations of the "oil and gasoline companies" be consolidated into one company.

The "utility companies" will acquire from the "oil and gasoline companies" the gasoline extraction plants and other gasoline properties, each such utility company acquiring such plants and properties as are now used in the processing of natural gas produced or purchased by it. The assets to be acquired will consist of plant in service, construction work in progress, materials and supplies and gasoline inventories. The "utility companies" will pay cash for such assets in an amount equal to the book value thereof, less accrued depreciation applicable thereto. The following schedule sets forth the companies involved and net consideration to be paid, based on the accounts at July 31, 1949:

Seller	Purchaser	Consideration
Preston.....	Ohio Fuel.....	\$429,106
Virginian.....	United Fuel.....	2,660,912
Union.....	Manufacturers.....	65,931
Do.....	Cumberland.....	12,640

In the case of Ohio Fuel, Manufacturers and Cumberland, cash to consummate the proposed transaction will be provided from the treasuries of the respective purchasing companies. In the case of United Fuel, it is proposed that the cash required will be provided by a capital contribution to be made to United Fuel by Columbia. Based on the accounts at July 31, 1949, the proposed contribution will amount to \$2,660,000. The amount of such contribution will not exceed the amount to be paid by United Fuel to Virginian and may be reduced to the extent that United Fuel has cash available in its treasury.

After the sale of their gasoline assets, Virginian and Union will sell their remaining assets other than cash to Preston. As consideration therefor, Preston will issue to Virginian and Union its 3 1/4% installment promissory notes in a principal amount equal to the book value of the assets acquired less related reserves and less liabilities assumed.

Preston will assume all liabilities of Virginian and Union except 6% demand loans presently owing by Virginian to Columbia. Virginian and Union propose to pay cash dividends to Columbia in amounts substantially equal to their earned surplus since September 30, 1946.

After the above transactions are consummated, Virginian and Union will be liquidated and their remaining assets,

consisting of cash and 3¼% notes of Preston, will be distributed to Columbia in liquidation.

Following these transactions, Preston will use such surplus cash as it has available for the repayment of income demand loans presently owing to Columbia. It is stated that, on the basis of present estimates, cash will be available in an amount sufficient to liquidate all of such income demand loans amounting to \$400,000.

It is stated that the proposed transactions will aid in simplifying the corporate structure of Columbia by eliminating two subsidiaries and will also make possible certain savings in operating and accounting costs.

Said joint application-declaration having been filed on October 31, 1949, and the amendment thereto having been filed on December 21, 1949, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect to said joint application-declaration within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding with respect to said joint application-declaration that the requirements of the applicable provisions of the act and rules thereunder are satisfied, and deeming it appropriate in the public interest and in the interest of investors and consumers that the said joint application-declaration be granted and permitted to become effective:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of said act, that the said joint application-declaration be, and hereby is, granted and permitted to become effective forthwith subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-10481; Filed, Dec. 28, 1949;
8:47 a. m.]

[File No. 70-2267]

NEW HAMPSHIRE GAS AND ELECTRIC CO.

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 21st day of December 1949.

New Hampshire Gas and Electric Company ("New Hampshire"), a subsidiary of New England Gas and Electric Association, a registered holding company, having filed an application pursuant to the provisions of section 6 (b) of the Public Utility Holding Company Act of 1935 with respect to the following proposed transaction:

New Hampshire proposes to issue and sell to The First National Bank of Boston, under a loan agreement dated August 22, 1949, its promissory notes in an amount not exceeding \$900,000. Said notes will bear interest at 3% per annum

and will be dated as of the date of the issue, but, in any event, not later than December 31, 1950, and will mature December 31, 1952. It is also proposed that two promissory notes of New Hampshire, maturing December 31, 1952, presently outstanding in the amount of \$150,000 and \$200,000, respectively, bearing interest at the rates of 2¼% and 2½%, respectively, and issued and sold to The First National Bank of Boston under the terms of a loan agreement dated October 15, 1947, will become subject to the loan agreement of August 22, 1949 herein proposed, except, however, that the interest rates on such outstanding notes will remain unchanged.

New Hampshire will use the proceeds from the proposed sale of notes to partially reimburse its treasury for items of capital expense already incurred and to defray, in part, the cost of extensions and improvements to its plant and equipment.

The Public Service Commission of New Hampshire by order dated October 26, 1949 approved the proposed issuance and sale of notes.

Said application having been filed on November 3, 1949 and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect to said application within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding with respect to said application that the requirements of the applicable provisions of the act and rules thereunder are satisfied, and deeming it appropriate in the public interest and in the interest of investors and consumers that the said application be granted:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of said act, that the said application be, and hereby is, granted, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-10482; Filed, Dec. 28, 1949;
8:48 a. m.]

[File No. 70-2278]

CITIES SERVICE CO.

ORDER PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 22d day of December A. D. 1949.

Cities Service Company ("Cities"), a registered holding company, having filed a declaration and an amendment thereto pursuant to the provisions of sections 6 (a) and 7 of the Public Utility Holding Company Act of 1935 ("Act") with respect to the following proposed transactions:

Cities, pursuant to a loan agreement, proposes to borrow \$6,600,000 from the

First National Bank of the City of New York and to issue its promissory note in evidence therefor. Under the terms of the said agreement the note to be issued will be unsecured, will mature 3 years after date of borrowing, will bear interest at the rates of 2%, 2¼% and 2½% for the first, second and third years, respectively, and will be subject to prepayment in whole or in part in amounts of not less than \$100,000 at any one time, without the payment of premium, unless made from the proceeds of borrowings other than from said bank, in which case a specified premium will be payable.

The indenture underlying Cities' presently outstanding 3% Debentures, which were issued under the provisions of a section 11 (c) plan filed by Cities and approved by the Commission on April 24, 1947, provides that such debentures are subordinate to the company's outstanding 5% Debentures and requires Cities to apply the proceeds from the sale of certain non-retainable securities first to the retirement of the 5% Debentures and any balance thereof to the retirement of the 3% Debentures. Pursuant to this requirement, the proceeds from the recent sale by Cities of 2,000,000 shares of common stock of The Ohio Public Service Company are to be applied to the retirement of the 5% Debentures, leaving outstanding a balance of approximately \$6,617,000 principal amount of such Debentures. Cities proposes to use the proceeds from the proposed note, together with other corporate funds, to retire at the redemption price the balance of the outstanding 5% Debentures. Cities states that the proposed loan is being made for the purpose of accelerating the retirement of the 5% Debentures, and has represented that it will apply the first proceeds up to \$6,600,000 from any subsequent dispositions of certain utility securities, designated in the Indenture under which the company's 3% Debentures were issued, to the payment and discharge of said note.

Said declaration having been filed on December 2, 1949 and an amendment thereto having been filed on December 12, 1949 and notice of said filing having been duly given in the form and manner prescribed in Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect to said declaration, as filed or as amended, within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

Cities having requested that the Commission's order herein become effective forthwith and contain the finding that the issuance of the proposed note and the application of the proceeds thereof to the retirement of the 5% Debentures are necessary and appropriate to effectuate the provisions of section 11 (b) of the act, and the Commission deeming it appropriate to grant such requests; and

The Commission finding with respect to the said declaration, as amended, that the requirements of the applicable sections of the act and rules promulgated thereunder are satisfied, that no adverse findings are necessary thereunder, and that the issuance of the proposed note

and the application of the proceeds thereof to the retirement of the 5% Debentures are necessary and appropriate to effectuate the provisions of section 11 (b) of the act and deeming it appropriate in the public interest and in the interest of investors and consumers that the said declaration, as amended, be permitted to become effective:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act that the said declaration, as amended, be, and the same hereby is, permitted to become effective forthwith subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-10478; Filed, Dec. 28, 1949;
8:46 a. m.]

[File No. 70-2280]

LONG ISLAND LIGHTING CO.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 21st day of December 1949.

Notice is hereby given that a declaration has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by Long Island Lighting Company ("Long Island"), a registered holding company. Declarant has designated sections 6 (a) and 7 of the act as applicable to the proposed transaction.

Notice is further given that any interested person may, not later than January 3, 1950, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after January 3, 1950, said declaration, as filed, or as amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transaction as provided in Rule U-20 (a) and U-100 thereof.

All interested persons are referred to said declaration which is on file in the offices of this Commission for a statement of the transaction therein proposed, which is summarized as follows:

Long Island proposes to issue and sell for cash at principal amount to four commercial banks an aggregate of \$12,000,000 principal amount of notes which will bear interest at the rate of 2 1/4% per annum and will mature December 15, 1950. The net cash proceeds of the sale of the notes are to be used for construction requirements of the company or to pay bank loans the proceeds of which

were incurred to meet construction requirements.

Declarant states that the transaction is not subject to the jurisdiction of any regulatory body other than this Commission.

Declarant requests that the Commission enter its order so as to permit consummation of the proposed transaction on January 4, 1950.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-10477; Filed, Dec. 28, 1949;
8:46 a. m.]

[File No. 70-2285]

UNITED GAS CORP. AND UNITED GAS PIPE LINE CO.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 22d day of December A. D. 1949.

Notice is hereby given that a joint application-declaration and amendment thereto have been filed by United Gas Corporation ("United"), a gas utility subsidiary of Electric Bond and Share Company, a registered holding company, and United's wholly owned subsidiary, United Gas Pipe Line Company ("Pipe Line"), pursuant to the Public Utility Holding Company Act of 1935, said application-declaration designating sections 6 (a), (7), 9 (a) (1), 10 and 12 (c) of the act, and Rules U-42 and U-50 of the rules and regulations promulgated thereunder as applicable to the proposed transactions which are summarized as follows:

United proposes to issue and sell pursuant to the competitive bidding requirements of Rule U-50, \$25,000,000 principal amount of First Mortgage and Collateral Trust Bonds, ---% Series due 1970. Said bonds will be issued under and secured by United's presently existing Mortgage and Deed of Trust dated as of October 1, 1944, as supplemented by the First and Second Supplemental Indentures dated as of July 1, 1947, and January 1, 1950, respectively. Proceeds from the proposed sale of Bonds are proposed to be used for the purchase by United from Pipe Line for \$18,000,000 in cash of a like principal amount of Pipe Line's First Mortgage Bonds, 4% Series due 1962, the balance, together with funds obtained from the payment by Pipe Line of its note in the amount of \$3,000,000, to be used in connection with United's construction program.

United presently owns \$35,767,000 principal amount of Pipe Line's First Mortgage Bonds, 4% Series, due 1962 issued under a Mortgage and Deed of Trust dated as of September 25, 1944, and First and Second Supplemental Indentures dated as of October 1, 1946, and June 1, 1947, respectively. Said bonds are pledged under United's Mortgage and Deed of Trust. Pipe Line proposes to issue and sell to United for cash at par an additional \$18,000,000 principal amount of such bonds which will also be pledged

with the Trustee under United's Mortgage and Deed of Trust. Pipe Line proposes to use the proceeds from such sale for the payment of its 3% promissory note in the amount of \$3,000,000 owned by United, the balance to be available for Pipe Line's construction program.

The application-declaration requests that the order herein issue as early as may be practicable and that said order become effective forthwith upon the issuance thereof.

Notice is further given that any interested person may, not later than January 11, 1950, at 11:30 a. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law raised by said application-declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after 11:30 a. m., e. s. t., on January 11, 1950, said application-declaration as filed, or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof. All interested persons are referred to said application-declaration which is on file with the Commission for a statement of the transactions therein proposed.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-10485; Filed, Dec. 28, 1949;
8:49 a. m.]

[File No. 70-2288]

MIDDLE SOUTH UTILITIES, INC.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C. on the 22d day of December A. D. 1949.

Notice is hereby given that Middle South Utilities, Inc. ("Middle South"), a registered holding company, has filed a declaration pursuant to the Public Utility Holding Company Act of 1935, and has designated sections 6 (a) and 7 thereof and Rule U-50 of the rules and regulations promulgated thereunder as applicable to the proposed transactions which are summarized as follows:

Middle South proposes to issue and sell pursuant to the competitive bidding requirements of Rule U-50, 640,000 shares of common stock, without nominal or par value, to underwriters or investment bankers who shall agree promptly to make a public offering thereof.

The declaration states that the proceeds from the financing will be used in connection with the construction program of the electric utility subsidiaries of Middle South, which program for the year 1950 is estimated to require approx-

imately \$32,000,000 to be raised from new financing.

The declaration further states that out of the proceeds from the sale of stock and from funds on hand or which may become available, Middle South, upon obtaining requisite authorization from this Commission, will make additional investments in the common stock of its subsidiaries during the year 1950 as follows:

Arkansas Power & Light Co.....	\$4,000,000
Louisiana Power & Light Co.....	4,500,000
Mississippi Power & Light Co.....	3,500,000

Additional common stock of New Orleans Public Service, Inc., also a subsidiary, may be purchased during the year 1950.

Declarant requests that the Commission's order herein be issued prior to January 7, 1950, and that such order become effective forthwith upon the issuance thereof.

Notice is further given that any interested person may, not later than January 5, 1950, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after January 5, 1950, said declaration, as filed or as amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act or the Commission may exempt such transaction as provided in Rules U-20 (a) and U-100 thereof.

All interested persons are referred to said declaration which is on file with this Commission for a full statement of the transactions therein proposed.

By the Commission.

[SEAL] ORVAL L. DuBois,
Secretary.

[F. R. Doc. 49-10484; Filed, Dec. 28, 1949;
8:48 a. m.]

[File No. 70-2290]

CENTRAL NEW YORK POWER CORP.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 22d day of December 1949.

Notice is hereby given that an application has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by Central New York Power Corporation ("Central New York"), a subsidiary of Niagara Hudson Power Corporation, a registered holding company. Applicant has designated section 6 (b) of the act as applicable to the proposed transaction.

Notice is further given that any interested person may, not later than January 5, 1950, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the rea-

sons for such request, the nature of his interest and the issues of fact or law raised by said application which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after January 5, 1950, said application, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act or the Commission may exempt such transaction as provided in Rules U-20 (a) and U-100 thereof.

All interested persons are referred to said application which is on file in the office of this Commission for a statement of the transaction therein proposed, which is summarized as follows:

Central New York, New York Power and Light Corporation ("New York Power"), and Buffalo Niagara Electric Corporation ("Buffalo Niagara") are subsidiaries of Niagara Hudson, which owns 100% of the common stock of the said three companies. Pursuant to the terms of an order of the United States District Court for the Northern District of New York, entered November 4, 1949, directing enforcement of the Consolidation and Dissolution Plans of Niagara Hudson approved by this Commission by order dated August 25, 1949, the three subsidiaries will be consolidated on January 5, 1950 into a single company which will be Central New York as a surviving corporation with its name changed to Niagara Mohawk Power Corporation ("Niagara Mohawk").

It is proposed that Niagara Mohawk shall issue and sell, through competitive bidding, \$40,000,000 principal amount of General Mortgage Bonds, --% Series due January 1, 1980. The proceeds from the proposed sale of bonds are to be used to pay \$38,500,000 principal amount of notes owed to banks by Central New York, Buffalo Niagara and New York Power in the respective amounts of \$15,000,000, \$22,000,000 and \$1,500,000, all of which notes become the obligation of Niagara Mohawk on its formation on January 5, 1950. The balance of the proceeds from the sale of the said bonds will be applied to finance in part Niagara Mohawk's construction program which is expected to require in 1950 an additional amount of approximately \$24,000,000 exclusive of cash available from depreciation accruals, salvage recoveries and retained earnings.

The application indicates that the order of the Public Service Commission of the State of New York when received will be supplied by amendment to this application.

By the Commission.

[SEAL] ORVAL L. DuBois,
Secretary.

[F. R. Doc. 49-10483; Filed, Dec. 28, 1949;
8:48 a. m.]

WAR CLAIMS COMMISSION

DESCRIPTION OF ORGANIZATION

SECTION 1. *Creation and authority*—
(a) *Purpose and scope.* The War Claims Commission (hereinafter referred to as

the "Commission") was created as an independent agency by Public Law 896, 80th Congress, approved July 3, 1948; 62 Stat. 1240; 50 U. S. C. 2001-2013 (hereinafter referred to as the "act"), for the purpose of receiving, adjudicating and providing for the payment of claims by (1) prisoners of war or certain survivors of deceased prisoners of war for compensation for violations of the Geneva Convention of July 27, 1929, relating to the obligation of belligerents to furnish certain rations to prisoners of war; (2) civilian American citizens or certain survivors of deceased civilian American citizens, who were captured and interned, or who went into hiding to avoid capture or internment, by the Imperial Japanese Government, for detention benefits; and (3) religious organizations functioning in the Philippine Islands and affiliated with a religious organization in the United States, or the personnel of such Philippine organization, for reimbursement for expenditures incurred or for payment of the fair value of certain supplies and services provided for members of the armed forces of the United States or civilian American citizens (as defined in section 5 of the act) in the Philippine Islands after December 6, 1941, and prior to August 15, 1945, as provided in section 7 of the act.

(b) *Report.* Under the provisions of section 8 of the act, as amended by Public Law 75, 81st Congress, approved May 27, 1949, the Commission is required to inquire into and prepare an analytical report for the President, for submission to the Congress on or before March 31, 1950, with respect to war claims arising out of World War II, other than claims which may be received and adjudicated under other provisions of the act. The Commission is further required to present in such report, among other things, its findings with respect to the types, categories and amount of such claims together with its recommendations as to which of such classes of claims should be received and considered, if any, and the legal and equitable bases therefor, and to propose such legislation as it deems appropriate to carry out the recommendations contained in such report.

(c) *Membership.* The Commission consists of three members, at least two of whom have been admitted to the bar of the highest court in a State, Territory, or the District of Columbia, appointed by the President and confirmed by the Senate. The terms of office of the members of the Commission expire at the time fixed for terminating the affairs of the Commission, which in no event shall be later than March 1, 1954.

SEC. 2. *Location of offices.* The offices of the Commission are located in Washington, D. C., and at such other places as the Commission shall designate. The mail address is: War Claims Commission, Washington 25, D. C.

SEC. 3. *Officers and subsidiary organizational units.*—(a) *Executive Director.* The Executive Director, who under the general supervision of the Commission, has direct supervision of and is responsible for all administrative matters, spe-

cifically in the preparation of the Budget, and in Fiscal, Property and Supply, Records and Files, Personnel Procedures, Printing and and Reproduction, and Travel activities. The Office of the Executive Director is composed of: (1) Budget Service; (2) Fiscal Service; (3) Personnel Service; (4) Procurement Service; and (5) Investigation and Field Service.

(b) *General Counsel.* The General Counsel, who under the general supervision of the Commission, is responsible for the conduct of all legal activities of the Commission, specifically, for the supervision of all adjudication activities, legislation and reports, procedures and regulations and such other legal services as are required by the Commission in carrying out the purposes of the act. The Office of the General Counsel is composed of (1) Assistant General Counsel Office; (2) Regulations and Procedures Service; (3) Opinions Service; (4) Legislation and Reports Service; (5) Claims Service; and (6) Appeals and Hearings Service.

SEC. 4. *Committees*—(a) *Staff Planning and Policy Committee.* The Staff Planning and Policy Committee, composed of the Commissioners, the Executive Director and the General Counsel, prescribes the major policy of the Commission.

(b) *Efficiency Rating Committee.* The Efficiency Rating Committee, composed of such members as the Commission may designate in accordance with the law and Civil Service regulations, operates in a staff capacity in applying rating standards uniformly to all employees of the Commission consistent with the standards of efficiency rating system.

SEC. 5. *Boards*—(a) *Fair Employment Board.* The Commission will designate a Fair Employment Officer who shall be responsible for carrying out the policy of Executive Order No. 9880 (July 26, 1948, 13 F. R. 4311; 3 CFR, 1948 Supp.). The Fair Employment Officer will be charged with: (1) Designating three employees to constitute a Fair Employment Hearing Board; (2) designating three additional employees to constitute a Fair Employment Appeals Board; and (3) designating one member of such Hearing Board and Appeals Board to act as the chairman thereof.

(b) *Board of Review of Efficiency Ratings.* The Board of Review of Efficiency Ratings, composed of such members as the Commission may designate, hears and determines all appeals by employees for the adjustment of efficiency ratings. In such cases the Board may revise or affirm the original efficiency rating. All decisions of the Board shall be final.

(c) *Loyalty Board.* Pursuant to Executive Order No. 9835 (March 21, 1947, 12 F. R. 1935; 3 CFR, 1947 Supp.), a Loyalty Board, composed of three members appointed by the Commission, hears loyalty cases which arise, and makes recommendations to the Commission with respect to the removal of any officer or employee of the Commission on questions relating to loyalty.

SEC. 6. *Delegations of final authority.* Final authority has been delegated as follows with respect to:

(a) *Claims functions.* Authority has been delegated to the General Counsel (1) to approve all claims for payment or disallowance, (2) to sign all letters relating to the development or the allowance or disallowance of all claims, and (3) to sign all letters relating to section 8 of the act.

(b) *Administrative functions.* Authority has been delegated to the Executive Director (1) to certify awards to the Secretary of the Treasury for payment, (2) to contract for and sign all orders for space, supplies, equipment and travel allowances for personnel, and (3) to certify all payrolls.

SEC. 7. *Public information*—(a) *General.* Claims forms and general information are available at the Washington offices of the Commission. Official forms will be distributed through State distribution agencies designated by the governors of the several States, by the Regional Offices of the Veterans' Administration and through such other agencies as the Commission shall designate. The Commission may make specific information available to any person, upon request if the giving of such information is essential in the development of claims or for other valid reason.

(b) *Opinions and orders.* All final opinions and orders made in the adjudication of cases before the Commission (except those required for good cause to be held confidential and not cited as precedents) and all rules will be made available for public inspection at the Washington Office of the Commission upon written request made to the Chairman of the Commission.

(c) *Public records.* Matters of official record of the Commission will be made available to persons properly or directly concerned on written request to the Chairman of the Commission. Any records requiring secrecy in the public interest, or any matter relating solely to the internal management of the Commission, shall be considered as confidential and not available to the public.

DANIEL F. CLEARY,
Chairman.

[F. R. Doc. 49-10508; Filed, Dec. 28, 1949;
8:52 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

WILHELM HANSEN MUSIK-FORLAG

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days

from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant and Property

Wilhelm Hansen Musik-Förlag, Gøttersgade 9-11, Copenhagen K. Denmark, Claim No. 31040; Property to the extent owned by claimant immediately prior to the vesting thereof by Vesting Order No. 4034 (9 F. R. 13781, November 17, 1944) relating to the work "Carl Czerny's Studies Selected and Arranged by Heinrich Germer, Volume I" (listed in Exhibit A of said vesting order), including royalties pertaining thereto in the amount of \$1,349.76.

Executed at Washington, D. C., on December 22, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 49-10511; Filed, Dec. 28, 1949;
8:45 a. m.]

MRS. ROBERT DE FLERS ET AL.

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant and Property

Mrs. Robert de Flers (nee Genevieve Sardou), 70, Boulevard de Courcelles, Paris, France, Claim No. 41200; \$2,950.97 in the Treasury of the United States.

Mrs. Andre Sardou (nee Juliette Charplot), Villa "Au Soleil", Rue de Bruxelles, Le Cannet (Alpes-Maritimes), France, Claim No. 41201; \$2,950.97 in the Treasury of the United States.

Pierre Sardou, 27, Avenue de la Grande-Armée, Paris, France; Claim No. 41202; \$2,950.97 in the Treasury of the United States.

Jean Sardou, 23, rue Blanche, Paris, France; Claim No. 41203; \$2,950.97 in the Treasury of the United States.

Property to the extent owned by each of the claimants immediately prior to the vesting thereof, described in Vesting Order No. 730 (8 F. R. 15917, November 24, 1943) and Vesting Order No. 500A-34 (9 F. R. 7958, July 15, 1944) relating to the opera, "La Tosca" and the literary production, "Madame Sans Gêne".

Executed at Washington, D. C., on December 22, 1948.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 49-10512; Filed, Dec. 28, 1949;
8:46 a. m.]

MRS. PHILIPPE MOREAU

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant and Property

Mrs. Philippe Moreau (nee Genevieve Amphenot Goubaud), 43, rue de Maubeuge, Paris, France; Claim No. 41204; property to the extent owned by the claimant immediately prior to the vesting thereof, described in Vesting Order No. 500A-34 (9 F. R. 7958, July 15, 1944) relating to the literary production entitled "Madame Sans Gene" (listed in Exhibit A of said vesting order), including royalties pertaining thereto in the amount of \$722.44.

Executed at Washington, D. C., on December 22, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 49-10513; Filed, Dec. 28, 1949;
8:46 a. m.]

HENRY LEMOINE & CIE

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following

property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant and Property

Henry Lemoine & Cie, 17, Rue Pigalle, Paris 9^e, France, Claim No. 38761; \$2,923.54 in the Treasury of the United States; property to the extent owned by claimant immediately prior to the vesting thereof, described in Vesting Order No. 2093 (9 F. R. 1465, February 4, 1944), relating to musical compositions listed in Exhibits A through I attached to the vesting order.

Executed at Washington, D. C., on December 22, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 49-10514; Filed, Dec. 28, 1949;
8:46 a. m.]

[Vesting Order 11166, Amdt.]

AUSSENHANDEL-FINANZIERUNGSGESSELLSCHAFT M. B. H.

In re: Stock and bond owned by Aussehandel-Finanzierungsgesellschaft M. B. H.

Vesting Order 11166, dated April 30, 1948, is hereby amended as follows and not otherwise:

1. By deleting from Exhibit A attached to and by reference made a part of the aforesaid Vesting Order 11166 the names of the registered owners "Armin, Gerd, Henry and Margrete Nicolai, as Guardian, Minor children Ruth and Dorothea Nicolai, as Tenants in Common" set forth with respect to two (2) shares of Chicago Great Western Railroad Common stock and substituting therefor the

names "Armin Nicolai, Gerd Nicolai, Heinz Nicolai and Margarete Nicolai as Guardian for Minor children Ruth Nicolai and Dorothea Nicolai, as tenants in common."

2. By deleting from Exhibit A attached to and by reference made a part of the aforesaid Vesting Order 11166 the name of the registered owner "Bernhard Nicolai" set forth with respect to two (2) shares of Chicago Great Western Railroad Common stock and substituting therefor the name "Reinhold Nicolai."

3. By deleting from Exhibit A attached to and by reference made a part of the aforesaid Vesting Order 11166 the name of the registered owner "Bery F. McGuckin" set forth with respect to one hundred (100) shares of Rock Island Company Common stock and substituting therefor the name "Benj. F. McGuckin," and

4. By deleting from Exhibit A attached to and by reference made a part of the aforesaid Vesting Order 11166 the name of the registered owner "Hurley & Co." set forth with respect to twenty (20) shares of National Railways of Mexico \$5.00 noncumulative Second preferred stock and substituting therefor the name "Hallgarten & Co."

All other provisions of said Vesting Order 11166 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on December 5, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 49-10470; Filed, Dec. 27, 1949;
8:48 a. m.]

